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# Latin America Report

No. 2575

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# LATIN AMERICA REPORT

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ENERGY ECONOMICS COSTA RICA

GOVERNMENT TO CONTINUE PETROLEUM PROGRAM

San Jose LA NACION in Spanish 21 Jul 82 p 6-A

[Text] Energy and Mines Minister Calixto Chaves asserted yesterday that the Costa Rican Government will keep up the petroleum exploration program. The minister, who was accompanied by Dr Roberto Dobles, chief executive officer of the Costa Rican Oil Refinery (RECOPE), and Pedro Afonso, head of the project in question, denied published statements to the contrary.

Day before yesterday, Alberto Fait, the first vice president of the republic, announced that the executive branch had decided to suspend petroleum exploration activities in our country because they would require some \$500 million.

We were the most surprised by those statements, said Chaves, and we, the persons in charge of the program, are here today to explain what happened. He said that everything was possibly due to "confusion about the figures, but there is a resolve to continue the explorations."

The officials also availed themselves of the opportunity to clarify information furnished by Numa Estrada, deputy minister for industries, energy and mines, in the sense that the expenditure to date was 2.4 billion colons, when it actually is 190.3 million colons.

He pointed out that all those funds have been financed by means of the San Jose Agreement, signed on 3 August 1980 by the Governments of Mexico, Costa Rica and Venezuela, which provides credit for development programs to the extent of 30 percent of petroleum purchases. This financing is on a 20-year term with interest at 2 percent, said Minister Chaves. Moreover, he stated, the General Comptroller's Office of the Republic approved a budget of 28 million colons for the next 2 years.

The officials also gave a detailed account of the activities carried out to date in the exploration front, as well as in the drilling of the 6,000-meter San Jose 1 well. "Work is going on at 1,116 meters at this time, and there is optimism about the samples obtained," they said. The drilling of a second well to a projected depth of 4,000 meters will depend on the results of the first one.

#### Fuels

On the other hand, Dr Robles denied rumors that circulated yesterday to the effect that RECOPE is facing a shortage of gasoline which forced it to adopt rationing measures. He asserted that it was all due to technical problems in the pipeline leading to the La Garita facility, which caused a suspension in the delivery of the fuel to that terminal. In the meantime, the facility of Alto de Ochomogo will supply the tank trucks using a quota system. The official said that this situation could last 2 days until the storage tanks at this terminal are fully resupplied, and the bringing in of the fuel from Puerto Limon will be increased with trucks for this purpose.

He commented also that a ship coming from Mexico with 40,000 barrels of gasoline, 100,000 barrels of crude and 80,000 barrels of diesel fuel is expected to arrive tomorrow.

8414

ENERGY ECONOMICS COSTA RICA

#### BRIEFS

PETROLEUM EXPLORATION IN PACIFIC -- The Ministry of Energy will start a petroleum exploration program in Puntarenas as an expansion of the exploratory operations being carried out in cooperation with Mexico's PEMEX. This was reported yesterday by Energy Minister Calixto Chaves, who made a working tour of the Puntarenas area in the company of geologists and geophysicists, with whom he studied the possibilities of finding hydrocarbons in that region. A spokesman of the ministry said that after completing the survey phase, a series of studies intended to determine the exact petroleum potential of Puntarenas will be started in the next few weeks. The energy minister was very pleased with the outlook provided by those studies, and he said that his office had decided to give all the necessary support to get the work started. The explorations will be made within the framework of the ongoing cooperation with PEMEX, the Mexican enterprise in charge of drilling the wells in the area of Talamanca. Chaves said the idea is to get the maximum advantage of the Mexican aid in trying to locate hydrocarbons. And he noted that this task will be performed without increasing budget expenditures because the personnel and equipment assigned to the petroleum explorations in Limon will be used for the purpose. [Text] [San Jose LA REPUBLICA in Spanish 31 Jul 82 p 3] 8414

ENERGY ECONOMICS GUATEMALA

#### OFFICIAL COMMENTS ON COUNTRY'S PETROLEUM RESOURCES

Guatemala PRENSA LIBRE in Spanish 2 Aug 82 p 8

[Interview with Engineer Sigfrido Alejandro Contreras Bonilla, secretary of mining, hydrocarbons and nuclear energy, on country's petroleum resources, by PRENSA LIBRE; date and place not given]

[Text] "The amount of petroleum now existing in the national subsoil will enable us to be self-sufficient until at least the year 2010," said Engineer Sigfrido Alejandro Contreras Bonilla, secretary of mining, hydrocarbons and nuclear energy.

Upon being questioned about the probable reserves of crude oil, he said there are four terms applicable to the subject of petroleum.

"For example," he said, "there are proven reserves, probable reserves, possible reserves and potential reserves. Inasmuch as these terms have been confused, it behooves us to explain what each one means.

"Proven reserves are those which have been precisely located, their formation and production tests concluded, and which make it possible to know, with reasonable assurance, what quantity of crude can be extracted."

[Question] What reserves are officially recognized?

[Answer] They amount to only 17 million [barrels], but it must be considered that this does not include new deposits located in Chinaja; nor does it include the reserves of the Caribe well or those of Yalpemech, which are still being studied.

[Question] Consequently?

[Answer] Thus, we believe that those probable reserves could be at least doubled; that is, we could be speaking of 30 million barrels. Those are the probable reserves over the short term.

There are additional probable reserves; I am speaking of those which have been discovered but not sufficiently verified and where we know there is oil. These reserves could reach a total of 60 to 70 million barrels; however, they do not count as money, for they are still just a probability.

Lastly, there are possible reserves.

[Question] Are you speaking from the viewpoint of intuition?

[Answer] Precisely, These are intuitions which are generated by analogy, that is, with another geological formation having similar characteristics and conditions where we could have another 30 or 40 million barrels.

[Question] In summarizing.

[Answer] In this manner, we could exceed approximately 100 million barrels.

[Question] And the potential category?

[Answer] This is similar to the "possible" category but where petroleum may be found in a more generalized manner throughout the sedimentary basin.

Contreras Bonilla said there are geologists who think Guatemala could have 3 or 4 billion barrels, and this would be sufficient; on the other hand, there are pessimists who say the most we could have is 300 or 500 million barrels and that, if this is true, which is the most probable, that potential will enable us to be self-sufficient until at least 2010 or 2015.

8568

#### VENEZUELAN-COLOMBIAN BORDER HELICOPTER INCIDENTS

One Death

Bogota EL TIEMPO in Spanish 28 Jul 82 pp 1-A, 7-A

[Article by Jacquelin Donado]

[Text] Barranquilla--A helicopter from the Venezuelan Air Force invaded Colombian territory, fired on an automobile, killing one of its occupants and wounding two others, and caused a general alert among the military forces that Colombia has posted along the border with Venezuela.

According to official sources, the incident could have unleashed confrontations between military units from both countries, since the aircraft from the neighbor country did not give prior notice that it was going to enter our territory in pursuit of some criminals who were attempting to escape in the private vehicle, which was fired on from the air.

During the past two weeks confrontations have been reported in the border zone of Carraipia, between troops of the neighbor country and Colombians, who last Saturday felt impelled to fire on a helicopter from the Venezuelan Air Force.

The incidents between Venezuelan and Colombian troops over these last weeks have left one smuggler dead, two wounded, a car destroyed, and a Venezuelan helicopter attacked by Colombian soldiers when the aircraft was flying over the military base.

Official authorized sources from the capital reported to EL TIEMPO that the first case occurred 2 weeks ago when a helicopter from the Venezuelan Air Force illegally penetrated the country in pursuit of a car carrying a group of smugglers in the outskirts of Paraguachon, along the border of the two countries.

The Venezuelan craft, report the sources, flew over Colombian territory and fired on the automobile. Its passengers, apparently some smugglers from the neighboring country, were seriously affected. One of the men died and two others were wounded.

Troops from the Colombian Army stationed in this section of the country were immediately mobilized to the border zone, while the high-ranking military commanders of the two countries dealt with the incident diplomatically in order to come to a settlement as quickly as possible.

While the armed forces were advancing the conversations at the highest level, the Mayor of Maicao initiated an investigation of the smugglers that the Venezuelan Army had been pursuing.

The latest armed incident between troops from the two countries was reported on 24 July, during the morning hours when a helicopter from the Venezuelan Air Force flew for several minutes over the military base at Carraipia, a Colombian town located half an hour from Maicao, and where for the past several months a detachment of the Second Brigade has been stationed.

The position taken by the Colombian troops was one of defense, since according to the sources, the aircraft flew mysteriously over the military base.

Official spokesmen indicated to EL TIEMPO that the Venezuelan helicopter took flight immediately and must have landed near the border in Venezuelan territory.

The troops stationed in Carraipia reported that the craft was later recovered by support elements of the Venezuelan Army who were mobilized to the site of the incident and transported the aircraft over land.

Despite the fact that the Colombian military has probed the Venezuelans about the difficult situation reported on two occasions in national territory, no official reply from the neighbor country's government has been forthcoming. The deed, therefore, remains completely subject to public opinion.

Problem Described as 'Economic'

Bogota EL TIEMPO in Spanish 29 Jul 82 p 20-A

[Article by Jacquelin Donado]

[Text] Barranquilla, 28 Jul--The incidents reported between the Colombian troops stationed in the border zone of la Guajira and personnel from the Venezuelan Government were classified here today by the high-ranking military leaders as a problem of economics and not one of sovereignty.

The sources clarified that the incidents are, nonetheless, a violation of national sovereignty in that armed elements of the Venezuelan Government, from their military institutions, entered our territory illicitly.

They indicated that the armed border problems with the members of the neighbor country are primarily due to the fact that in the past months the smuggling routes have been gradually closed, and those people who previously were being supplied with basic commodities in Colombian territory, sold in Maicao and at a lower cost due to the rates of exchange, were now unable to do so.

The sources confirm that for this reason the Venezuelan patrol, mobilized in the white helicopter number 595, attacked a smuggler's car attempting to enter our country to evade the law of the neighbor country.

The automobile was fired on by the Venezuelan helicopter and "disappeared as if by magic" from the border zone near Paraguachon. The case, which initially was dealt with by the Mayor's office in Maicao and then by the Second Brigade Command, was turned over to the Colombian ministry in order to advance the necessary negotiations, so that the impasse that has created a climate of tension in the border zone may be resolved through diplomatic channels.

#### Text of the Communique

"The Commander of the Second Brigade, for the purpose of dispelling doubts and clarifying the unofficial reports which some of the public communication sources have issued concerning incidents occurring along the Colombian-Venezuelan border during the last 20 days, states the following:

- "On 9, 14 and 27 July, the following incidents occurred on the Colombian-Venezuelan border in the area of operations under the jurisdiction of the Second Colombian Brigade, the events of which have been reported by this command to its superiors through the regular military channels, and has therewith established direct coordination and resolved the case with the commander of the Venezuelan Second Brigade and staff.
- 1. On 9 July at 1200 hours, a patrol from the Venezuelan Army, made up of five sargeant majors and one enlisted man from the units of the Second Brigade, was surprised on the outskirts of Castilletes in Colombian territory, and captured by cover forces belonging to the Colombian Second Brigade. Forty-eight hours later, once the situation had been clarified and the petition and explanation delivered by the Venezuelan Second Brigade had been taken care of, they were released.
- 2. On 14 July at 1200 hours, a light helicopter, white in color, originating from Venezuela, flew some 500 meters into Colombian territory near Paraguachon, in pursuit of various delinquents in a motor vehicle, who had been discovered in Venezuelan territory, and fired their weapons on them without casualties.
- 3. On 27 July at 1730 hours, a white Venezuelan helicopter crossed the border in the area of Paraguachon for approximately 500 meters, and fired on a patrol

If the Second Brigade, being immediately repelled, also through the use of arms on the part of the members of the Colombian unit, without any casualties among the participants in the action.

Four persons with long range weapons were observed by the patrol as they disembarked from the cited Venezuelan vehicle after the incident."

9730

#### SELA WILL MEET TO DISCUSS REGIONAL ECONOMIC SECURITY

Caracas EL UNIVERSAL in Spanish 10 Aug 82 p I-16

[Text] The ministers representing the Latin American Economic System (SELA) will meet in Caracas from the 16th to the 25th of this month to study the basis for a regional economic security within the framework of the 8th Latin American Council.

This meeting will be preceded by a gathering of SELA experts that will analyze the technical reports on consultation and coordination, the Latin American stand on international forums, and regional cooperation.

This year, the ordinary meeting of the 8th Latin American Council, the top organ of the SELA, will include the general analysis of the events that ensued after the South Atlantic conflict, which revealed the economic vulnerability of the region.

A report on economic coercive measures against a member country and their impact on the North-South relations will be discussed at the request of Argentina.

Permanent Secretary Carlos Alzamora will submit to the consideration of the assembly the 6th Annual Report on the activities of the SELA in the areas of coordination, consultation and cooperation.

The topic of the Melvinas will be dealt with also when the relations with third countries are studied, particularly the ties with the United States and the European Economic Community (EEC).

It should be noted that the SELA was one of the regional organizations that strongly condemned the coercive measures applied by the industrialized countries against Argentina on the heels of the Malvinas incident. On that score, a meeting of top representatives of the SELA was held in Caracas in June which objected to the measures as illegal and asked for their immediate lifting. In addition, 18 countries formed the Action Committee to Aid Argentina.

Despite the swiftness with which the SELA pronounced itself regarding this crisis, the 8th Latin American Council will study the possibility of establishing a mechanism of collective economic security to be used in emergency situations, such as the one created over the Malvinas.

The agenda of this meeting also includes the relations with other industrialized countries, in the light of the meetings with the Council for Mutual
Economic Assistance (CAME) to strengthen the ties with the socialist countries.
Relations with developing countries will also be examined, among other topics,
especially the contacts made with economic organizations and countries of Asia
and Africa.

8414

#### AFTERMATH OF 1976 BOMBING OF CUBAN AIRPLANE VIEWED

Caracas ZETA in Spanish 15 Aug 82 pp 14-18

[Text] The spectacular flight of Luis Posada Carriles and Hernan Ricardo, defendants in the case of the bombing of the Cuban plane, added a new twist to this judicial process whose developments have captured the attention of the Venezuelan public for 6 years. Since its beginning on 6 October 1976 to date. the whole episode exhibits as a constant factor the presence of the intelligence services of several countries that have chosen Venezuela as the setting for their activities.

Two sedate individuals climbed out of Maverick automobile license plate YAA 769 on that Sunday afternoon. One of them, a leisurely-walking blond with the looks of a Hollywood actor, seemed to have ascendancy over his companion, a somewhat younger, dark-complexioned man of nervous gestures. Both slowly left the parking lot of the Paseo de las Mercedes shopping center and headed for the street to take a taxi.

The taxi driver did not notice anything unusual in his passengers, except that they occasionally complained about the slowness of his driving. They were going through the streets of the upper-class Valle Arriba Development when the blond passenger suddenly said, "Stop, we are getting off here." The driver got paid for the fare and took the same route back, admiring the splendid design of the homes of the area.

The two men headed for the villa "Miravila," on whose front the seal of the Chilean Republic proclaimed the extraterritoriality of diplomatic quarters. It was the residence of the ambassador of that southern country. They called at the door, asked for the diplomat and were told that he was not at home. The blond man brusquely pushed open the door and walked into the house closely followed by his companion.

"We are Luis Posada Carriles and Hernan Ricardo," he announced. "We escaped from the military prison of San Carlos Garrison and have come here to ask for asylum." There were no other developments at the time at the home of the ambassador. Outside, of course, the news was beginning to spread, telephones

were buzzing with the exchange of information, and a new development was starting in the sensational case of the Cubana Airlines Co plane that exploded in the air on 6 October 1976, causing the death of a group of Cuban athletes and several military personnel of North Korea heading for Cuba, as well as an undetermined number of Guyanese, the whole crew of the aircraft, and several high-ranking Cuban army officers returning from combat in Angola.

The persons implicated in the incident were the Cuban anti-Castro leader Orlando Bosch, currently on a hunger strike at the Military Hospital; the nationalized Venezuelan of Cuban origin Luis Posada Carriles, a former high official of the DISIP [Directorate of Intelligence and Prevention Services]; the Venezuelan Hernan Ricardo, an agent of the DISIP; and the Venezuelan photographer Freddy Lugo. All of them had been exonerated by the Military Tribunal after the pertinent prosecutor withdrew the charges against them because the case had been inactive at the Court Martial for 2 years, thus creating numerous legal arguments and placing the presiding judge of that court, Gen Elio Garcia Barrios, in the middle of a debate that seemed interminable. Meanwhile the accused had been tried and sentenced to death in absentia in Cuba by a tribunal of Fidel Castro.

# A Stormy Case

The case of the Cuban plane had been full of incidents, as would be expected. From the start, the defense attorneys had raised objections as to the form and background of instituting the judicial process before ordinary tribunals. Subsequently, when the trial was transferred to the military jurisdiction, it had been possible to determine that much of the evidence and a good part of the investigations had been manipulated or faked.

From the legal standpoint, however, the main argument of the defenders boiled down to the incompetence of Venezuelan justice to deal with a case that had occurred outside the territory of our country, although this was never brought up before our tribunals. High level negotiations entrusted to national jurists by then-President Carlos Andres Perez justified the change of venue to Venezuela on the basis that the accused would have been shot if tried in Cuba. Inasmuch as there were three persons of Venezuelan nationality among the defendants, the president adduced that his duty was to prevent that from happening.

Orlando Bosch had other allegations against this. According to him--and this was established as the trial proceeded--his presence in Venezuela was in keeping with an invitation extended and confirmed by the Cuban-Venezuelan Orlando Garcia, trusted man of Carlos Andres Perez and the de facto chief of the DISIP at that time. He added to this that his detention violated agreements reached between gentlemen.

The eminently political nature of the trial became evident when the national public opinion discovered with alarm that newswoman Alicia Herrera, a frequent visitor of the defendants at the San Carlos Garrison, had disappeared without a trace. Some time later, Mrs Herrera, who had married a Cuban citizen pointed out as an agent of Fidel Castro's DGI [General Directorate of Intelligence], surfaced and held press conferences in Mexico and Panama to announce that she had obtained confessions from the defendants about the way they blew up the plane.

This announcement, which drew the attention of the security forces of Venezuela, was formally substantiated in a book published by the Cuban Government entitled "We Placed the Bomb, and So What?" These events led the DISIP leaders to conclude that Mrs Herrera had become an agent of Castro's government and was guilty of "betraying the country." Although it was subsequently averred that Alicia Herrera had expressed the desire to return to Venezuela, the return never took place.

A devastating storm, like all the tropical phenomena, was beginning to brew. It was noted that the intelligence services of various countries were intervening, if they had not already done so, in a case of terrorism that was shocking world public opinion.

## "Mono" Morales Speaks

Ricardo Morales Navarrete had been an agent of the DISIP and had taken part in the police investigations which led to the jailing of Orlando Bosch, Luis Posada Carriles and the other defendants in the trial of the bombing of the Cuban plane. A man with broad experience in the underworld of espionage and crime, his presence in Venezuela had been uncovered by U.S. newsmen despite the official denials that he was in our country or engaged in police activities.

Following the scandal created by his presence in Venezuela, Ricardo Morales Navarrete went silent. No one heard from him until a police investigation in Miami got him in the headlines of the local newspapers as the key figure in an operation that aborted a large contraband of drugs. The name of "Mono" Morales again came up in Venezuela, this time in the dispatches of the news agencies.

Late last year, Ricardo Morales Navarrete contacted the office of ZETA by telephone. He asked for Francisco Chio Hermida and offered a full statement about the way the Cuban plane had been blown up and the identities of the real perpetrators of the act. After the interview, which was published by this periodical and partially or fully reproduced by several newspapers and periodicals of our country, it turned out that Morales Navarrete blamed himself and former officials of the DISIP as directly responsible for the terrorist act, and alleged that he and his accomplices had acted jointly with the

MA. Inexplicably, the extradiction of Morales Navarrete was never requested, despite his status of Venezuelan citizen, in order to have him corroborate his sensational statement before the appropriate tribunals.

#### Serious Fears

Meanwhile, the fear that Fidel Castro could be plotting their assassination in the prison itself is beginning to crop up among the defendants being held at the San Carlos Garrison, who have been already exonerated by military justice but are awaiting the final verdict of the Court Martial. Doctor Raymond Aguiar, Luis Posada's lawyer, asserted during an appearance in the program of Sofia and Carlos Rangel on Channel 4 that Fidel himself had told Social Christian Party leaders Leonardo Ferrer and Oswaldo Alvarez that he wanted the accused dead, whether in jail or out in the street.

Confidential reports warned Bosch, Posada and their companions that the DGI had actually dispatched to Venezuela a team to carry out the sentence. The San Carlos Garrison seemingly offered safety for the defendants. But they, as well as their visitors, had observed a certain slackening of vigilance which increased their fears. During the last few weeks, the extreme leftist prisoners there had managed to hold political meetings in which the speakers made very significant statements. Thus, while Orlando Bosch decided to go on a hunger strike to protest what he considered were delaying tactics in passing judgment in the case, Luis Posada planned his escape.

Luis Posada Carriles is a man of action characterized by the calmness of his personal conduct. Trained by the CIA and the MOSSAD, the Israeli intelligence service, he repeatedly showed when he was in the DISIP that he has nerves of steel and considerable reserve to hide his movements. Those who know him well assert that he was inside Cuba for years carrying out risky clandestine missions involving terrorist acts against the Castro government. For a man of such capabilities, escape from the San Carlos Garrison could not present insurmountable obstacles.

#### The Escape

Everything seems to indicate that Luis Posada had planned his escape for a later date than the new historic Sunday 8 August. But according to his lawyer, Raymond Aguiar, a fortuitous event led him to attempt it on that day when an army officer who had gone to visit him in his cell discovered a chasseur colonel's uniform when Posada opened a drawer to get money to pay for Chinese rice that was to be fetched from outside.

The details of the event were minutely related by the lawyer, who had occasion to interview his client and Hernan Ricardo at the Chilean diplomatic quarters

that same Sunday night. Displaying extraordinary calmness, the escapees subdued the officer by intimidating him with threats of an alleged bomb, and walked out of the garrison through the main gate amidst the salutes of the guards, who did not realize that the man in the chasseur colonel's uniform was the notorious Luis Posada Carriles, and his supposed naval assistant was Hernan Ricardo.

The three men calmly got into the car of the officer, which was parked near the DIM [Military Intelligence Directorate] facilities adjoining the garrison. From there, they went to Cota Mil, where they released their hostage and gave him his unloaded pistol and a 50-bolivar bill to enable him to catch a taxi.

From Cota Mil, they went to Paseo de las Mercedes, where the fugitives shed the uniforms, and then went on to the Chilean diplomatic quarters, starting a new phase in the case which, in boxing terms, could be described as the "contest of the century."

What Will Happen Now?

No one knows, of course. The negotiations to determine if Chile will accept the fugitives as exiles and if the Venezuelan Government will grant them safe-conduct is pending. Meanwhile the official radio in Havana pointed out in no uncertain terms that the government of Luis Herrera should seize Luis Posada and Hernan Ricardo and return them to jail. The presiding judge of the Court Martial reported that the judicial process would follow its normal course and the national political leaderships were beginning to adopt a stand vis-a-vis the sensational case.

The state of health of Orlando Bosch was worsening at the Military Hospital. Apprised of the situation, the Cuban doctor commented almost inaudibly that each one had a right to make their own decisions, thus rationalizing the behavior of his companions.

From New York came news that a powerful bomb had been uncovered unexploded at the installations of the Venezuelan Consulate in that city. Some spokesmen hastened to declare that the act was the work of anti-Castro "rightist groups," and it was even said that the blame had been placed on the organization named Omega 7, which the U.S. authorities had accused of having unleashed a terrorist attack some time ago. Questioned in this connection, lawyer Raymond Aguiar averred that it was inconceivable to lay the blame for this attempt on the anti-Castro Cubans because the incident would only harm the cause of Bosch, Posada and their companions.

The significance of the events was emphasized, naturally, by the negotiations carried out to date intended to ease the tension of the cool relations between Cuba and Venezuela. With his habitual discretion, the foreign minister of the

republic had preferred not to comment on the subject and limited himself to pointing out that everything was proceeding along the usual channels for cases such as this. During his fortnightly press conference, President buis Herrera rejected any insinuation that his government had anything to do with the escape and the possibility that foreign espionage agencies were involved in it, because a rumor was beginning to spread that the escape of Posada and Ricardo had been planned and executed by the CIA. As is his wont, President Herrera recalled an incident of an escape that occurred when he was in prison.

The case of the Cuban plane, one of the worst headaches ever suffered by a Venezuelan Government, had become complicated again. Besides Cuba, Barbados, Venezuela and Trinidad, the countries affected at the time of the tragic event, this time it was beginning to involve the Chilean Government, from whose ambassador's home the frustrated guests watched the tremendous mess that had been created.

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CS): 3010/2163

#### DPA SUMMARY OF REGIONAL UNEMPLOYMENT, UNDEREMPLOYMENT DATA

Mexico City UNOMASUNO in Spanish 26 Aug 82 p 11

Article by Walter Krohne

[Text] Hamburg, 25 August—Unemployment and underemployment in Latin America are attaining dramatic levels, and despite the efforts of the different countries' governments to bring these levels down, the prospects are not encouraging.

According to a survey conducted by DPA correspondents in 17 countries of the region (328.6 million inhabitants), the employment and underemployment rate is 23.9 percent, out of an estimated labor force of 108.09 million workers (33 percent of the population). In real terms, this has an impact on 25,867,834 people (almost the entire population of Colombia). By contrast, the average jobless rate in Western industrialized nations this year is 8 percent, according to the International Monetary Fund.

In some Latin American countries the unemployment and underemployment rate is more than 50 percent of the economically active population, as in the case of Ecuador (68 percent), Honduras (63.2), Peru (57.6), Mexico (55.7) and Paraguay (53 percent).

The world economic recession is one of the reasons for the lack of jobs in the Latin American region. Other factors that aggravate the general socioeconomic situation are monetary disorder, inflation, and a chronic balance of payments crisis (the deficit grew from \$17.9 million in 1978 to \$34 billion in 1981, while in Western industrialized countries this deficit shrank from \$73 billion to \$35 billion in 1981).

Unemployment and underemployment are causing severe tensions in the countries of the region. The Inter-American Development Bank (IADB) pointed out that among the factors that have heightened social problems are the growth of the population, which climbed from 226 million in 1970 to 345 million in 1980, and increasing migration from rural to urban areas. In 1960, 49.6 percent of the population of Latin America lived in the cities, while in 1980 that proportion increased to 66.2 percent.

In addition to the decline of the rural population, there are two other factors: changes in the age structure that have characterized regional demographic patterns, and the growing percentage of women in migratory groups.

This combination of elements has led to an unprecedented growth of the Labor force; according to the IADB, it expanded from 85 million people in 1970 to 112 million in 1980, and it is expected to climb another 37 percent between 1980 and 1990.

The situation of the 17 countries included in the DPA survey, considering the scarcity of official information available, is as follows:

Argentina, with 27.9 million inhabitants, has a workforce of 9.78 million, equal to 35 percent of its population, according to the Argentine Statistics Institute (INDEC). The unemployment rate is 6 percent, affecting 586,800 people. Underemployment is estimated at 8.2 percent, approximately 802,000 people.

Bolivia, with 5,599,592 inhabitants and a labor force estimated at 1,825,446 people (32.6 percent of the population), has a jobless rate of 9.8 percent (178,893 people) and an underemployment rate of 34 percent (620,651 people), according to a study by the Bolivian Labor Ministry.

Brazil, with a population of 120 million, has a labor force of 43.2 million people (36 percent). Its official unemployment rate is 6.9 percent (2.98 million), calculated on the basis of the unemployment situation in the six key economic regions of the country, according to data compiled in April of this year and released by the Brazilian Statistics Institute (IBGE): Rio de Janeiro (6.9 percent), Sao Paulo (6.4), Belo Horizonte (7.2), Porto Alegre (5.9), Salvador (6.8) and Recife (8.3 percent).

Colombia, whose population of 26.5 million includes a workforce of 8,474,700 people (31.98 percent), has an unemployment rate of 9.5 percent (805,096 people). Bogota, the capital, has 5.2 million inhabitants, and in March of this year it had an economically active population of 1,299,309 people, with 109,877 of them completely out of work. There are no underemployment figures.

Costa Rica has a labor force of 825,700 people, equal to 35.9 percent of its population of 2.3 million. Without jobs are 95,700 people (11.5 percent). Underemployment is estimated at some 29,700 people (3.6 percent). The government and the private sector are trying to promote agroindustrial activities with investments in sugarcane production, in order to expand the job supply. The Costa Rican economic situation this year was reflected by a currency devaluation of 700 percent, a 60 percent inflation rate and a foreign debt of \$4 billion.

The neoliberal economic model applied in Chile since the military coup of 1973 has had a high social cost, which combined now with international economic conditions, is manifested in a high rate of real unemployment, among other indicators. According to the National Statistics Institute, that rate climbed to 21 percent between May and July of this year (in the same period of 1981 the rate was just 8 percent).

However, the Democratic Union of Workers (UDT) estimates the jobless rate at 34 percent of the labor force, which in Chile consists of 3,477,400 people, 30.84 percent of the population of 11,275,400. To official calculations must be added underemployment, controlled in Chile by the minimum employment program; the figure is now 5.7 percent of the workforce. These people receive a monthly wage equivalent to \$40.

Unemployment in Ecuador, which has reached 8 percent (200,000 people) out of a population of 8.6 million and a labor force of 2.5 million (29 percent), and the underemployment of 1.5 million people (60 percent), are attributed to the restriction of investments in public works, scarce investment in the country, the flight of capital to the United States, and labor laws that are considered very rigid by employers.

El Salvador, with 4.6 million inhabitants and a labor force estimated at 31.98 percent of that (1.471.080 people), has an unemployment rate of 23.6 percent (347.174 people). Underemployment is considered very high, but there are no specific statistics on it. The causes of the joblessness include the expansion of the economically active population, and the internal political situation, which has led many factories to shut down.

Guatemala, with a population of 7.5 million, has a workforce of 2.5 million, of which 212,500 people are out of work (8.5 percent) and 800,000 are underemployed (32.0 percent). Nonetheless, the Center for Economic Studies (CIE), a private organization, estimated the unemployment rate at 37.6 percent.

Honduras, one of the poorest countries in Latin America, has a population of 3,955,000 and a labor force of 1,120,000 (28 percent). Its unemployment and underemployment rate is 63.2 percent (707,000 people).

Mexico, with a population of 67.4 mi'lion and a labor force of 18.8 million (28 percent), has a jobless rate of 10.7 percent (2,011,600 people) and an underemployment rate of 45.0 percent (8,460,000 people).

Of Nicaragua's population of 2.7 million, 91,000 people (13 percent) of the labor force of 702,000 (26 percent of the population) are out of work.

Seventy-five percent of the Nicaraguan population is rural, and 50 percent is under the age of 25. The government is creating new jobs through promotional agencies and training organizations.

Unemployment in Panama totals 8.54 percent (70,028 people), while underemployment amounts to 9.8 percent (80,360 people), out of a workforce of 820,000. This is equal to 41 percent of the population of 2 million. The causes of unemployment are inflation (40 percent) and the decline in commercial activities.

Paraguay has a high underemployment rate, affecting 585,915 people, or 53 percent of the labor force estimated at 1.1 million. The labor force, in turn, constitutes 33 percent of the population of 3.35 million. There are no recent figures on unemployment.

Unemployment and underemployment in Peru affect 3,361,460 people (57.6 percent), out of a population of 17,762,000 and a labor force of 5,861,460.

Uruguay has 'an unemployment rate of 11.24 percent, which translates into 123,640 people. Its labor force comprises 1.1 million people, 37.5 percent of its population of 2,934,942. There are no underemployment statistics.

In Venezuela, the workforce totals 4,561,043 (3,317,340 men and 1,243,703 women), out of a total population of 14.6 million. Of working-age people, 4,273,698 people have jobs (93.7 percent) and 287,345 (6.3 percent) are out of work.

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COUNTRY SECTION

INTER-AMERICAN AFFAIRS

#### BRIEFS

BRAZILIAN TROOPS IN NORTHERN AMAZON--Rio de Janeiro, 9 Aug 82--The territorial dispute between Venezuela and Guyana in the Essequibo region "has led the Brazilian Army to reinforce its troops on the extreme north of Amazonia." This was pointed out today by the weekly VEJA (SEE), noting that the dispute in question "could become a military conflict between the two countries." Where there is at this time an engineer and construction battalion and a special border battalion, "there will be shortly an armored unit, which is most adequate for a region that consists almost entirely of savannahs," the periodical adds. [Text] [Caracas EL UNIVERSAL in Spanish 10 Aug 82 p I-6] 8414

COUNTRY SECTION BOLIVIA

COLUMNIST FOCUSES ON NATIONAL CRISIS, SOLUTIONS

La Paz EL DIARIO in Spanish 11 Aug 82 p 2

[Article by Mario Rolon Anaya]

[Text] Silence is often just as negative as an imprudent action. The errors we commit must be admitted honestly as the heavy burden of painful experience. But the current indifference would make any past error more serious. This brief preamble explains the need to return with the greatest impartiality to the study of solutions to the crisis, one of which, while not the only one, is of a political nature.

Among all the possible solutions to the political crossroads which is part of our economic uncertainty, if politics continues to be only "concrete economics," only two at present have public support. One is elections within the shortest time possible; November of this year has been suggested. The other is the recently-elected congress. The election position taken by the armed forces differs only in time: April 1983 as opposed to November 1982. Which of these two solutions is more favorable for the country? This is the question we are all asking ourselves these days.

In counting up support, which is very importing in weighing public opinion, the formula for new elections is supported by a political majority, even if it were only met halfway. The same electoral formula is supported by the armed forces government, with the difference in dates, which is not merely a question of time, but of prolonging the misery, considering the enormous economic crisis. The solution of this crisis cannot be postponed. There can be no delay. That is the greatest disadvantage of this solution, of which the important sector of private enterprise has said: "By the time we have elections, maybe there will no longer be a country." And that is not just an exaggeration. The economic situation is extremely serious. Anyone who does not know that does not live here.

The electoral process requires a prior process of registration and identification of citizens which, if done in a lackadaisical or hurried manner, will

again cause electoral "fraud" such as was charged in three elections which miscarried: those of 1978, 1979 and 1980. The advantages of this solution, however, lie in the legitimacy of a new government if the electoral process goes well and in the transition which requires immediate measures to resolve the crisis.

The other possible solution has a variable, once the pressure from 6 August is lifted. It can be called by the armed forces government in November of this year, without further social and economic cost, in a most organized and consensual manner. Among the disadvantages noted here is that the national scrutinies were not finished and there would be doubts about some representations. It is not difficult to hold another election in the next few months which would, as well as having this rational justification, be a period of social truce during which to pursue some economic solutions. These solutions are very much related to the country's democratic capacity for international negotiation, that is, to political solutions.

One of the solutions to the economic crisis, that of deferment of or a moratorium on the foreign debt, would have a greater chance for successful negotiation if we had a democratic government elected by the end of the year, without further dangerous delays.

The details of either solution are negotiable and exceed the scope of this commentary.

It is important to emphasize that it is just as suicidal to turn one's back on reality as to turn a deaf ear to public clamor. One or another formula, nationally supported, will be the institutional salvation of the country which is of such interest to the armed forces, political and union organizations, business firms and civic agencies; that is, to the whole country.

The choice is serious, all rhetoric aside. There it is: Either we unite, or we are ruined, but it should be pointed out that the means are at hand in the selection of one or another solution supported by the people to achieve national agreement, which has become so dear. The choice, which cannot be postponed, lies at this time therefore in either patriotic consensus or national disaster. August 1982

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COUNTRY SECTION BOLIVIA

#### COUNTRY IN URGENT NEED OF WELL-DEFINED FARM POLICY

La Paz EL DIARIO in Spanish 10 Aug 82 p 2

[Editorial: "Farm Policy"]

[Text] It is incredible that our country, which is always in need of food, has not studied, defined and adopted a coherent farm policy. Agrarian reform was implemented nearly 30 years ago, and the Ministry of Agricultural and Livestock Affairs has also been functioning for nearly 3 decades. At the same time, and even duplicating these efforts, the armed forces is also involved in this activity. The need for food items, which must be imported every year, is known in government circles. Hundreds of citizens have worked for the various ministries of state, and one might suppose that many of them—although not all—might have been inspired to establish the firm outlines of a varied agricultural policy, not to mention agro-industrial tasks.

However, there is no clearly defined agricultural policy. It is true that there has been no lack of efforts to improve the potato, some valley crops and the fruit trees of the subtropical regions, and abundant speculation about pyrethrum, etc. The production and utilization of quinoa, for example, is in the hands of private groups endeavoring to popularize its use.

The Agricultural Bank, which should have been the agency to encourage agriculture in line with the needs of domestic consumption and then for export, has done little or nothing with regard to the altiplano and the valley. It is obvious that at certain times the country has caught the fever for cultivation of some fibers which are easily saleable, require little effort and can ensurce certain profit. That is what happened with cotton, and there are many debts left over from that fever which have not yet been paid and which, even if the debtors are not executed, will never be paid.

It was the FAO representative who, on ending his service in Bolivia, reminded us that it was time to "define an agricultural policy." In his opinion, Bolivia is capable of grain production: wheat in Abapo and Izozog, where

experimental plantings have yielded optimum harvests. Beni, Pando, Santa Truz and Chuquisaca have soils suitable for rice and corn, while there would still be areas for industrial crops and also for coffee. He said: "There are still untapped natural resources in the altiplano." He also pointed out another fact: "The country lacks sufficient resources to establish programs. It does not have the necessary funds to encourage agricultural and livestock development, give greater utilization to the soil and achieve agricultural mechanization." However, many national resources have been channeled by the governments into important nonpriority goals like agriculture.

This criterion is much more suggestive of foreign technology: "[For] the FAO, the definition of an agricultural and livestock policy in any of its member states is vital, since it is much easier for this institution, knowing there is a well-defined policy, to aim technical assistance at the most critical points and those of greatest impact to strengthen, as a result, the national economy." In conclusion he suggested that the government "must make an effort to define an agricultural and livestock industry policy."

From the words of the FAO representative, one can gather that in the field of agriculture, to begin with, it is necessary to make decisions, after having established unequivocally a long-range political action. This action is the more urgent because at this time we have to spend our foreign exchange to import large quantities of wheat and other foodstuffs. We note that the country does not have the resources to develop that policy, and we believe that if we operate intelligently we will be able to find them, because to date large amounts have been invested in unproductive tasks, expenses and calculated waste in the public budget. Why not earmark, every year, an amount large enough to stimulate all branches of agriculture?

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COUNTRY SECTION BOLIVIA

TERMS OF ARGENTINE GAS DEBT SCORED

La Paz HOY in Spanish 12 Aug 82 p 2

[Editorial:"'Glass Beads' and Natural Gas"]

[Text] Our country owed the Argentine Republic approximately \$100 million for its expenditures on the construction of the Yacuiba-Santa Cruz de la Sierra railroad and for the new rail line that extends to the department of Beni.

It is clear that had the Bolivian delegates mentioned in the negotiations on this latest railway connection, that the River Plate nation should be connected to the Bolivian Amazon area, our southern neighbor would have shown, in the midst of this apparently fraternal gesture, its obvious geopolitical interest in being present in the extensive area in which many South American nations are taking an interest, and which Argentina has little to do with. This, perhaps, would have meant that the bills being sent from Buenos Aires would have been less, or perhaps nonexistent.

This was not done, and our country must cancel what it owes. But, to these investments which, no matter how you look at them, are proper for Bolivia, others have been added which our country has very little to do with, and which have been effected virtually by decision of the Casa Rosada.

Among them, in addition to the loan granted to the regime that took over the government in July 1980, are some commitments made rather precipitously by a Ministry of Agriculture which compromised the interests of our country by the acquisition, through several contracts, of agricultural implements and on the construction of peasant markets in various departments of the republic. For all that we are in debt to our sister nation to the south for the large sum of \$700 million.

In a separate agreement Bolivia signed contracts with Argentina for natural gas. This meant considerable investment for the construction of a pipeline, paid by ourselves.

The result is that now the Central Bank of that country has decided on its own to apply funds from the energy supplied it to the liquidation of pending accounts. In other words, Argentine authorities are trying to amortize loans granted to our country with funds generated by the merchandising of natural gas that YFPB [Bolivian Government Oil Deposits] exports in compliance with existing agreements.

We believe that the agreements to ship natural gas do not contain any clause by which the funds generated thereby might be applied to the obligations of the Bolivian nation. To accept this would be to fall into a sort of "trust" unacceptable for a sovereign country.

Apart from which it is truly unfortunate that official stupidity is being manipulated with "glass beads", so to speak, like the Hanne cars, which are rusting on the border, and many other products, very expensive and of poor quality, accepted in exchange for a valuable energy product. Oh! We forgot to mention, and of course we do not believe, the rumor that some Argentine citizens on missions to Bolivia have shared in the benefits of the "bead-selling" operation.

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COUNTRY SECTION BRAZIL

### SAO PAULO GUBERNATORIAL ELECTION CANDIDATES DISCUSSED

Rio de Janeiro MANCHETE in Portuguese 21 Aug 82 pp 10,12

[Text] Within the 247,898 square kilometers of Sao Paulo's territory, there are almost 11 million voters spread like needles in a huge haystack among the almost 120,000 districts and towns of the 574 municipalities of Sao Paulo. Thousands of them are also found in the little settlements in the large ranches or are migrants, leading a gypsy life, who spend the year changing from one farm to another. Finding each of those votes, therefore, becomes a very difficult task.

Thus an election contest in Sao Paulo does not allow for taking it easy. It is equivalent to facing a campaign on the national level in view of the magnitude of the Sao Paulo electorate. It is that size, however, that is the great incentive for the five candidates who are vying to get to Bandeirantes Palace. Everyone knows that to win now means to have one foot in another palace: Planalto in Brasilia, bolstered by the millions of votes for which they are now fishing.

Three of the candidates are election veterans: Janio Quadros, Franco Montoro and Roge Ferreira. The other two--Reynaldo de Barros and Luiz Inacio (Lula) da Silva--are novices, but they have good experience in political life. Like the veterans, they learned to plan their election expeditions as if they were modern "bandeirantes" [early explorers], going with their bands of publicity men, communications men and political advisers even to the boondocks of Sao Paulo in search of votes.

Andre Franco Montoro and Janio da Silva Quadros began practically together in election campaigns such as the present one. They began at the turn of the decade from 1940 to 1950 when the youngest of the current candidates, Luiz Inacio "Lula," then 5 years of age, helped his parents and seven brothers in the fields near Garanhuns, Pernambuco, by carrying drinking water to them. It was the time also when Reynaldo de Barros, after the primary studies in the traditional Caetano de Campos Institute of Education and secondary and science

studies in the no less traditional Sao Luiz College on Paulista Avenue, began his civil engineering studies in the University of Sao Paulo Polytechnical School. He was already seriously courting Maria do Carmo Padovan of Botucatu, who had recently arrived from Sao Paulo, whom he later married.

Janio and Montoro had something in common other than politics. Both were lawyers and professors and both began as councilmen in the 1950 campaign, assuming their positions the following year. What differentiated them in a striking manner concerned their personal bearing. Franco Montoro had been married for 8 years to his old university colleague, Lucy, of the Pestana Silva family of Jundiai, a graduate in philosophy and social service from the Pontifical Catholic University (PUC). He dressed elegantly and with some care as a good native of Sao Paulo. In addition to the Chamber, he had his lawyer's profession and circulated through the courts every day, dealing with his clients' cases. At night, he lectured at the PUC.

Janio, also already married to Eloa do Valle, a native of Sao Paulo, with a Rio Grande do Sul mother and a Spanish father, a former student of Sion College in the Higienopolis district (of the original founding families), unlike Montoro, dressed poorly, apparently on purpose. He identified with his electorate precisely by that and by his black coat whose blackness accentuated the dandruff that fell copiously on his shoulders. He also seemed to make it a point to affect a studied carelessness. He was always unshaved and was constantly shaking his head to keep the hair from falling over his eyes. The coat had another practical function in addition to protecting his skeletal body and shape the image of the populist politician that he took care to flaunt: as a sort of traveling larder, it had a good number of pockets to hold the baloney sandwiches that he was always eating.

When Janio and Montoro--without serving their councilman terms to the end-were elected state deputies for the 1955-1958 term, Lula was a bootblack and
cleaning and dyeing helper on the Santos dock strip, where his family had
moved. He thought much more of surviving than of becoming a politician some
day. At that same time, Reynaldo de Barros, already married to Maria do
Carmo, had his civil engineering diploma hanging on the wall of his office for
2 years. He participated in the construction of residential complexes and was
director of a textile industry. But he did not lose sight of politics. Nor
could he. Politics was a mandatory topic in the homes of all the family members, both his and his wife's, since his uncle, Ademar de Barros, after being
interventor in Sao Paulo during the Vargas dictatorship, returned to the
government palace--then the Campos Elisios Palace--as the elected governor.

#### Reynaldo Continued To Rise

Lula completed his primary studies in a school for the children of stevedores, dockers and port workers. He was 16 years old when Franco Montoro was Labor

Minister and Janio Quadros was president of the republic in 1961. Both were reaching the peak of their careers. Behind were the years of the fifties, of the postwar and of Dutra's calm democracy, and the agitated period of Brazilian democratic agony was beginning. At that time, Lula entered a National Industrial Apprenticeship Service (SENAI) school, wanting to train as a lathe operator-mechanic. Without knowing it, he would choose the profession that would project him as the leader of the Sao Paulo metalworkers. The same was to occur with Reynaldo de Barros. On being elected financial director of Urubupunga Electric Power Stations, today part of the Sao Paulo Electric Company conglomerate, also without knowing it, he was preparing his political career as a public administrator.

The rising line of Janio's trajectory fell vertically on 25 August 1961 when he resigned the presidency. But Montoro's continued in the Labor Ministry until the following year. At that time, Roge Ferreira began to rise, being elected federal deputy. But the joy did not last long. Came 1964 and almost all of them toppled to square zero, where Janio was. The worse part was that there was not the slightest possibility of restoring their political lives. Janio was banished to Corumba. Roge was outsted as federal deputy. Montoro returned to university teaching.

Of the five, Lula continued to be more concerned with surviving on his worker's salary. And Reynaldo de Barros was the only one who continued to rise. In 1966, he was elected president of the Urubupunga Company. In 1968, he assumed the chairmanship of the administrative board of the Sao Paulo State Social Security and Welfare Institute (IPESP). As for Lula, he was a well-behaved worker in Sao Bernardo do Campo. And at that time his trips to the Vila Euclides stadium, where he would later become enshrined as the leader of the great metalworker' strikes, were only to watch the games of Saad of Sao Caetano do Sul against Santo Andre, or even his factory team, in which he also did a little playing on weekends.

The beginning of the seventies found today's five candidates in a sort of lazy apathy. Montoro, in his residence in Jardim Paulistano, writing his books beside his wife Lucy and his children, Maria Lucia, Andre Junior, Eugenio, Paulo, Ricardo, Fernando and Monica--seven all together--and his first grand-children. In the same district, Reynaldo de Barros also sought to have more time to give to Maria do Carmo and his three children: Renata, Antonieta and Reynaldo Junior. Janio had moved to Guaruja with his wife, while his daughter, Dirce Maria, marrying for the second time, went to live in Houston, Texas, in the United States, with her six children (one of them adopted). Lula was the only bachelor in the group.

The big stir from the apathy that gripped them all occurred in 1974 in a sort of popular uprising through the ballot-box, which returned Franco Montoro to the heights where he had been in 1964.

He was elected senator and carried a number of people with him. It was the time of bipartisanship and he and Ulisses Guimaraes were to form the front line of the old Brazilian Democratic Movement (MDB). Since the times had changed, Montoro also changed. He was no longer a supporter of the administration, as in the time of the Christian Democratic Party (PDC), which he helped to found, but rather of the opposition, as far as it was permitted by the circumstances. One year later, Reynaldo de Barros was elected administrative director of the Basic Sanitation Company of Sao Paulo (SABESP) and Lula emerged as the leader of a new type of unionism, the so-called aggressive unionism, inspired in the philosophy of Brother Beto.

## Montoro in Favor of the Municipality

That is when in Sao Bernardo do Compo he met Marisa Leticia: 24 years old, a general services aide in a school, a widow with a 3-year old child. Lula at that time was a thin and bearded young man, always with a cap on his head, excited, shrewd, and too intelligent to be a simple lathe operator-mechanic. He had also become a widower. His wife and child had died during a fatal childbirth. Some time later, Lula and Marisa Leticia were married and living in the duplex two-room house purchased with the financing of the National Housing Bank (BNH) in the worker's district of Vila Lavinia in Sao Bernardo, where they live to this day. It was the time when he achieved national fame thanks to the leak of a World Bank report on the Brazilian economy from which Lula learned that the figures pertaining to inflation and the cost of living in the period 1972 to 1973 had been manipulated in favor of the government. He made a great fuss and at the same time mobilized his work comrades, demanding the restoration of 31.3 percent of their wages, which he said had been withheld from them. Taking advantage of the shift, he mobilized the union over this, gaining more space in the press, which was beginning to free itself of censorship by order of President Geisel.

Reynaldo de Barros assumed office as the mayor of Sao Paulo in 1979, with the reputation of being a great administrator in the management of SABESP. There he had succeeded in raising the figure for the distribution of water in the capital of Sao Paulo to 90 percent, thus reaching 3 million more people. He had also solved the drainage problem with the establishment of the Sanegran project. Meanwhile, operating in his own area, Lula led the strikes that paralyzed all of the ABC complex of Sao Paulo—the cities of Santo Andre, Sao Bernardo and Sao Caetano—repeated the following year. He was arrested, ousted of the leadership of his union and charged under the National Security Law. But Lula knew already then what course to pursue: politics would give him back the powers that were being discussed in the courts. He founded the Workers Party (PT) and as its president, he traveled in 1980 to participate in the commemoration of the first anniversary of the Sandinist revolution in Nicaragua, and in 1981 to meet with Solidarity Leader, Lech Welsa.

After 40 years of marriage and with 11 grandchildren, Lucy Franco Montoro likes to go out with her husband for trips, walks, long chats with friends, or she likes to gather the family in cheerful luncheons without any ending time limit, which requires a long table. Maria do Carmo Padovan de Barros, on the other hand, likes to go deep-sea fishing in the family launch, play "three-of-a-kind" or "king" with friends, or read, go to the movies, to the theater, and to host informal dinners. As for Eloa do Valle Quadros, close to becoming a calm and serene sexagenarian, in contrast to the excitement and nervousness of her husband, she likes to embroider and makes rugs, which she has been doing since the days in Sion College. The oven and stove are also an agreeable pastime for her, and Janio takes care of increasing her fame in that regard when he invites someone to eat at his home:

"Have you ever tried Eloa's 'tutu' [beans, pork and manioc meal] and the loose rice that she makes? Do you know that if we throw the rice up in the air we can count it grain by grain?"

The contrast with that type of life is that of Marisa Leticia da Silva. With her three children--Claudio, Fabio Luis and Sandro Luis--she cannot yet harbor any aspirations other than coping with the stove, the washtub housecleaning and, when she goes to the corner to buy bread, milk, meat or coffee, to talk with the neighbors.

In the life of all of them, however, to like or to enjoy this or that must be verbs conjugated in the past tense. Each of them—in her own fashion or with the resources she possesses—is at the side of her husband, in an exhausting political campaign that dominates their families 24 hours a day.

Franco Montoro has quite a good lead over the other candidates because he began election campaigning well before all of them, even before the party's convention. His battle standard is administrative decentralization of the decisions of the central government, strengthening of the municipal power, and the promise of a government of popular participation under the slogan, "It is necessary to change, and you know why." Reynaldo de Barros wants to put an end to the deep chasm that separates the urban populations or rural needy from a better quality of life, integrating them into the national life. The credentials that qualify him to promise that change were acquired as mayor of Sao Paulo. When he governed the city, he strove to humanize it and he implemented quite popular projects in the transportation, low-cost housing, basic services and urban equipment sectors. Roge Ferreira identifies with the Brizola causes. Janio Quadros bases himself on his populist charisma, which he seeks to raise from the ashes, and he also promises radical changes in the administration of Sao Paulo, based on austerity, moderation and fighting corruption; while Lula promotes his fair-rallies, with a lot of hubbub and little food stalls, to call for the "end of the military dictatorship" and proclaims the motto of the party: "Work, Land and Freedom." Among the five, there hang in balance the hearts, minds--and consequently the votes--of the ll million voters of Sao Paulo.

8711

COUNTRY SECTION BRAZIL

## NEWEST VEJA-GALLOP POLL SHOWS STANDINGS IN SENATE RACE

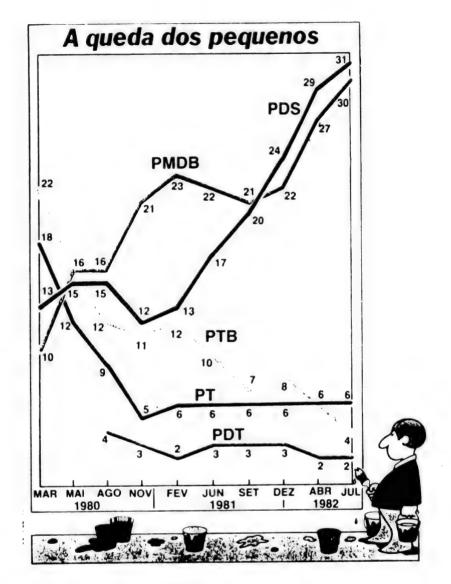
Sao Paulo VEJA in Portuguese 25 Aug 82 pp 18-34

[Text] The latest VEJA-Gallop electoral poll, which for the first time shows the results in the Senate race and in interviewing the voters takes into account the total linkage of votes, showed many sudden changes in the picture of the 10 largest electoral colleges of the country. The main surprise was in Pernambuco, where one of the most consistent favorites of previous polls, Senator Marcos Freire of the PMDB [Brazilian Democratic Movement Party] was passed by the candidate for the governorship from the PDS [Social Democratic Party], Roberto Magalhaes. The picture in Rio de Janeiro became the least clear, with the dizzying decline of Sandra Cavalcanti of the PTB [Brazilian Labor Party], who went from a 52-percent voter preference rating in April to 28 percent.

Minas Gerais showed a surprising tie between former Minister Eliseu Resende of the PDS and the up-to-then unbeatable Senator Tancredo Neves of the PMDB. In the largest state of the country, Sao Paulo Senator Franco Montoro of the PMDB increased the distance between him and his closest pursuer, Reynaldo de Barros of the PDS. Former Minister Jair Soares of the PDS maintained a reasonable advantage over PMDB Senator Pedro Simon in Rio Grande do Sul. The distance between them decreased but did not reach the electoral disaster foreseen by Soares after his successor in the Ministry of Social Welfare, Helio Beltran, suspended more than 2,000 credentials he had signed on his last day in office.

In the results of the 10 largest electoral colleges, at the end of the fifth round of the VEJA-Gallup poll, the PDS is in front in five, the PMDB in three, the PTB in one and the PDS and PMDB share the leadership in another. A surprising result in view of the heralded superiority of the PMDB with respect to the voters in the principal states of the country.

With the exception of the specific case of Rio, the most recent survey performed by pollsters of the Gallup Institute makes it clear that the voters once more are divided solidly into two parties, the PDS and the PMDB, making the elections in November truly bipartisan. The two main parties continue in inexorable upward rise after candidacies were decided upon in the July conventions, with the PDS maintaining a slight lead over the PMDB in the national poll on party preference. The three small parties, on the contrary, are collapsing in free fall.



The fall of the small

## Changes in the Slate

Figures in the Senate race show the impressive role played by some state leaders in the present campaign. Former Governor Jorge Konder Bornhausen, for example, has 97 percent of the votes for the candidate for governor of Santa Catarina from the PDS, Esperidiao Amin. Former Governor Ney Braga has 93 percent of the votes for the candidate for governor of Parana, Saul Raiz, which means that just as Bornhausen helps Amin, Braga is obviously bringing votes for Raiz, one of the weakest candidates in the first polls. The percentages of other former governors, who are running for vacancies in the Senate, are also high. them is Virgilio Tavora (84 percent) of Ceara, and another is Marco Antonio Maciel (78 percent) of Pernambuco. In the questions asked by the Gallup Institute, the voter questioned first chooses a party and then the candidates to governor and vice governor, then the candidate to senator. The figures for senator are smaller than the figures for governor and that is normal. In many states the voters have not yet selected a candidate for the Senate, thus swelling the ranks of the undecided. The candidates for governor, in addition to heading the slates, have their campaigns under way and in some cases, such as that of

	PMDB	37%
	Severo Gomes	13%
	Almino Affonso	6%
	Helio Navarro	5%
	PDS	24%
	Adhemar de Barros Filho	11%
	Blota Junior	5%
SP	José Papa Junior	4%
31	PT	12%
	Jacó Bittar	6%
	PTB	9%
	Jose Roberto Faria Lima	4%
	Padre Godinho	2%
	Joaquim dos Santos Andrade	0%
	PDT	1%
	Euzébio Rocha	0%

	PTB hander	28%
Г	Ario Theodoro	11%
	Edson Khair	5%
	PMDB COLL GOL	. 24%
	Artur da Távola	9%
	Claudio Moacir	6%
DI	Mario Martins	4%
KJ	PDS	16%
	Celio Borja	12%
	PDT	10%
	Roberto Saturnino Braga	7%
	PT .	4%
	Wladimir Palmeira	2%

	PMDB	37%
	Itamar Franco	25%
	Simão da Cunha	2%
	PDS कृति हिस्सित है अधिकृति	37%
	Magalhães Pinto	18%
MG	João Marques	8%
IIIU	PT ेई राज्य किलिसिंड	5%
	Jorge Nahas	2%
F	Joaquim J. de Oliveira	2%
	PDT	1%
	Wilson C. Vidigal	1%

\*The difference between the vote given to the parties and the candidates to the Senate are explained by the fact that some voters have not yet made a choice for the Senate. Franco Montoro of Sao Paulo, the campaign has been underway for several years. Maciel of Pernambuco had already accepted the nomination to run a week before the beginning of the poll.

The percentages show that candidates for the Senate, such as Braga, Tavora and Maciel, candidates who are strong and well-known by all voters, could greatly help their candidates for governor. There are also reverse cases. While PT [Worker Party] candidate for governor of Sao Paulo, Lula, has 12 percent of the voters, his slate companion running for senator, Jaco Bittar, has only half that many. Conclusion: Bittar in no way helps the candidacy of Lula. In some cases there were changes in the makeup of party slates when the poll had already begun and it was no longer possible to change it, as happened in the case of the PTB of Sao Paulo, where Jose Roberto Faria Lima remained as the only candidate, and in the PTB of Rio, where Ario Theodoro and Edson Khair were exchanged for Paiva Muniz, Celso Brandt and Joao Pinheiro Neto. Magalhaes Pinto of Minas Gerais was removed from the PDS slate and Claudio Moacir of Rio de Janeiro was replaced by Rafael de Almeida Magalhaes in the PMDB.

To discover who is in front in that Senate race, it is necessary to bear in mind that each party may run as many as three candidates for senator through the mechanism which allows the total of the votes of those three candidates to go to the candidate among them who received the most votes. It is through the subslate, for example, that Carlos Chiarelli of the Rio Grande do Sul PDS, with 11 percent, is running ahead of Senator Paulo Brossard of the PMDB, who has 17 percent. Brossard is running by himself for the PMDB and Chiarelli has a subslate companion, Alberto Hoffman, with 9 percent. The sum of the Chiarelli and Hoffman votes equals 20 percent and exceeds the Brossard votes.

The extension of the survey to the senators, at any rate, shows that the large parties which really managed to unite have grown everywhere. In Sao Paulo, Senator Franco Montoro benefitted from the addition to his slate as candidate for vice governor, of dissident Senator Orestes Quercia. Strengthened, the PMDB of Montoro advanced a comfortable distance over the second place Reynaldo de Barros, whose PDS is an example of a large disunited party. The candidacy of Reynaldo, which grew vigorously during almost a year, stagnated after he left the prefecture of the capital and his mentor, former Governor Paulo Maluf, made himself ineligible in May so that he could run for a seat as Federal deputy. The PDS of Pernambuco went ahead in the race, with its unity up to now unbreakable, while the PMDB is divided into the divergent factions of Cid Sampaio, Jarbas Vasconcelos, Miguel Arraes and Marcos Freire.

# Intensity in the Campaigns

Despite that, the realignment of the faction is still possible—no one wins in August an election which is voted in November. The last elections prove that the factions consolidate decisively only in the last 40 or 50 days of the campaign. In fact, in 1974, the ARENA [National Renewal Alliance] candidate in Rio Grande do Sul, Nestor Jost, was winning over Paulo Brossard of the MDB [Brazilian Democratic Movement] in September. Others losers in that election, such as Carvalho Pinto of Sao Paulo and Joao Cleofas of Pernambuco, both of ARENA, were also winners up to the month of September. In 1978, the victim of that mirage

was Sandra Cavalcanti of ARENA who was winning in September and 2 months later was defeated by Nelson Carneiro of the MDB.

	PDS	32%
	Carlos Chiarelli	11%
	Alberto Hoffmann	9%
DC	PMDB	28%
RS	Paulo Brossard	17%
	PDT	15%
	Getulio Dias	6%
	PT	3%
	Raul Pont	1%
/ :a I:	Annual Control of the	13 4 W W
	PMDB	44%
	Alvaro Dias	28%
BB	Leite Chaves	7%
YK L	PDS	113% 30% T
	Ney Braga : 19	28%
	PT外國國際政務等	· · · · · · · · · · · · · · · · · · ·
	Manoel Isaias de Santa	na 1%.
. [	PAC	776
-	PDS Maciel	196
	AND IN MALE BY THE PARTY OF THE	32%
PF L	PMDB TO THE PMDB	3776
No.	Cid Sampaio	27%
1	PT	<b>20%</b>
98	Bruno Maranhão	0%
12.	PDS中央的沿海	war 41%
City.	Luiz Viana Filho	32%
VA T	PMDB :	W440%
SAF	Waldir Pires	28%
: 7	PT WHITE	2%

Strictly speaking, the fifth VEJA-Gallup poll showed only one apparently unbeatable situation and it is that of Luis Gonzaga de Fonseca Motta, "Toto," of Ceara, who is almost 20 percent ahead of the candidate in second place, Mauro Benevides of the PMDB, and who has a much more efficient political machine. He is the rare case of a candidate who managed to rally the major political forces of the state around him: Former governors Virgilio Tavora, Adauto Bezerra and Cesar Cals. In certain states, such as Pernambuco, Parana and Santa Catarina, there is a traditional tendency to close results, which will probably be repeated. At 100 days from the elections, Gallup director Carlos Matheus believes that the positions of the front runners vary primarily as a result of the intensity of their campaigns.

The case of Santa Catarina is typical. Esperidiao Amin of the PDS increased his lead in votes over Jaison Barreto of the PMDB, primarily because last month his posters were distributed throughout the state, while Barreto restricted himself to investing in few posters in the larger cities. In Goias, Otavio Lage of the PDS reduced the gap which separated him from the leader, Iris Rezendo of the PMDB, by intensifying his campaign through the interior of the state. Moreover,

it is possible that in at least two cases the survey may have recorded only circumstantial increases, which may be reduced to their real size with the September figures.

	PDS	45%
	Jorge Konder Bornhausen	44%
	PMDB	35%
	Pedro Ivo Campos	27%
00	PT	1%
SC	Walmir Martins	1%
	PTB	1%
	Joào Kasnoky	1%
	PDT	1%
	Acacio Bernardes	1%
	PDS Virgilio Tavora	42%
376	PMDB Sterring	31%
&UL:	Dorian Sampaio	20%
Me	SPT MENT TO THE PROPERTY OF T	瓣1%
1	William Montenegro	1%
	IPMDB TO THE STATE OF THE STATE	42%
	Mauro Borges	21%
	Lazaro Barbosa	15%
(GO)	PDS	33%
	Ruy B. Cavalcanti Jr.	27%
	PT	2%
	Paulo Faria	2%

#### Vote for the Person

The most notable of those episodes is that of Parana, where Jose Richa of the PMDB established a lead of 14 percent over Saul Raiz of the PDS. The indication that that this is smaller derives from the fact that the survey was made in Parana at the exact moment when former Governor Paulo Pimentel withdrew as gubernatorial candidate from the PTB and announced his support for the Richa candidacy. Another indicator that the PMDB candidate should moderate his enthusiasm is the jump by Saul Raiz, who had the support of only 1 percent of the voters of Parana in June last year and reached 30 percent with the successive boosts given to him by Ney Braga. The tone given by Braga to the Parana campaign became dramatic after he notified the voters of his state about his status as candidate for the presidency of the republic. Since then the PDS in the state associates the vote for the Raiz-Braga slate with the possibility that Parana may have the next president.

A less clear example is that of Sao Paulo. There is no doubt about the rise of Senator Franco Montoro and the stagnation of PDS candidate Renaldo de Barros. However, the rate of consistency of the Montoro vote--which means whether the vote announced by the voter for a candidate actually means his willingness to vote for him--according to evaluations by Gallup is inferior to that of Lula and even

Reynaldo. Moreover, with 37 percent of the voters, Montoro for the first time is exceeding the preference shown by the voters for his party, which is 34 percent. According to Carlos Matheus, the party vote, because it represents a more all-encompassing view, a social concept by the voter, is much more consistent than the vote for the person. Thus, it is possible that the 3 percent of the voters who voted for Montoro over those who voted for his party in this round of the poll may be extremely fickle.

The position of the senator from Sao Paulo is exactly the opposite of that of Deputy Miro Teixeira of Rio de Janeiro, who improved his lot with the dispersion of the anti-Chaga votes to Sandra Cavalcanti of the PTB, Wellington Moreira Franco of the PDS and Leonel Brizola of the PDT. Miro has 24 percent of the voters and his party, the PMDB, is the largest in the state with 32 percent. It is more probable that the strength of the party will act in favor of its candidate than vice versa. In Minas Gerais, for example, Senator Tancredo Neves always had three times as many votes as the extinct PP [Popular Party], in the most obvious proof that the party was worth considerably less than the names of its members.

That condemnation today appears to extend to small parties such as the PTB and the PDT [Democratic Workers Party]. The former is the most notable example of how a party can be destroyed by clumsy handling. In March 1980 the PTB was the party which had the sympathies of the country (22 percent), and led the PT (which had 18 percent), the PDS (13 percent) and the PMDB (10 percent). Another proof of the specific power of that party was given a year ago when the PTB was still the second party preferred by the people of Santa Catarina, although it was not even organized in the state. The PTB faded, however, when the voters perceived that it had nothing to do with the old party of Getulio Vargas and primarily because it did not manage to acquire the support of important politicians, with the exception of Sandra Cavalcanti in Rio and Janio Quadros in Sao Paulo, two politicians who also fought the party in the past.

### Decline of the Undecided

The downward spiral of the small parties coincides with the decline in the number of undecided, a trend only bucked in the confused Carioca scenario, where they went from 15 percent to 18 percent between April and July, and in the changing scene of Parana, where they jumped from 18 percent to 24 percent. The state in which the definition of the voters was the greatest, Pernambuco, recorded a decline of 14 percent among the undecided. There were also sudden changes in Rio Grande do Sul, whose number of undecided went down from 29 to 20 percent; in Minas Gerais, where it fell from 28 percent to 20 percent, and in Bahia, where it fell from 24 percent to 17 percent.

If the VEJA-Gallup poll allows a suggestion of an administrative nature to the PDS, it is a simple one: The government should take over the opposition position and announce that it will allow the election of prefects in the capitals by direct vote. Appointed prefects cause the PDS to be practically ostracized in the major Brazilian cities. It is enough to see that, while the PMDB has 32 percent of the vote in the capitals, the PDS has only 17 percent and what is worse, two rickety parties such as the PTB and the PT have 10 percent apiece.

The great strength of the PDS is manifested in cities with fewer than 10,000 voters. That predominance occurs primarily in the municipalities with fewer than 5,000 voters, where the PDS has 59 percent of those who intend to vote and the PMDB only 22 percent. With the "Municipalizing" effect of the linked vote, and with the lack of organization of the PMDB in many small cities, that percentage tends to decline as the campaigns for prefect and councilman begin.

The results of the Fifth poll certainly do not go as far as to allow Planalto Palace to stack its legislative arms to help the PDS. While the ballots which confuse the voter, delay the election and increases the number of invalid votes, indications are greater every day that the government will not feel constrained in also creating the vote at home. From the legal point of view it is practically created. In the message sent to Congress with the determination for the new type of ballot, the government, as one who wants nothing, abolished the ballot authentication prior to the voter entering the booth of each section. Without that requirement, the main technial and legal obstacle to voting at home is removed, taking the middle of the road and giving rise to a great debate on the suitability of a ballot which each one may bring to the section in the interest of a speedier election. With the home vote ballot, which the voter could obtain at various points of his city in the days prior to the election and fill it out at home, there is a regression in usage but it undoubtedly saves time.

## A Survey on the Linked Vote

The total linkage of votes tied the candidates for governor, vice governor, senator, deputy, prefect and councilman within a single party. Because of that, an electoral survey which would confirm the voting intentions for only one of those candidates, even if it were the most important of them (the governor), would give a very superficial idea of the probable result of the election. Thus, on its fifth round, the VEJA-Gallop poll for the first time included the linkage of votes among the governor, vice-governor and senator and, when the interviewees expressed their preference, they were informed of the need to comply with that legal requirement. In the next rounds of the poll, the linkage will be extended to the prefect.

Through that linkage, it was possible to reflect with greater accuracy, for example, the tendency of the voters of Ceara. The PDS slate of that state has a candidate for governor who is little known by the people of Ceara themselves (Luiz Gonzaga da Fonseca Motta), but the candidates for vice governor (Audato Bezerra, and for senator, (Virgilio Tavora) are former governors of great electoral influence.

All together, nearly 400 pollsters went out into the field between 23 July and 8 August to interview 8,311 city loters in 456 cities, in the survey taken in the 10 Brazilian states with the most voters. "We made the survey through the system of probability of area in multiple stages, with stratification by segments of electoral size of the urban areas of each state represented," explains the director of the Gallup Institute, Carlos Matheus." Translated, this technical complexity means that the cities of each state are divided into

five groups according to the number of their voters. Within each group, cities in a number proportional to what that group represents within the number of voters of the state, are selected by lottery. In each city thus selected, some city blocks are chosen by lot (samples) and in each block six homes are selected and in each home one single voter.

The margin of error of the survey in the majority of cases is 3.5 percent more or less, but it varies according to the size of the samples and percentages. In extreme cases it may be up to 4.5 percent in Santa Catarina on the basis of 560 interviews, or only 1.7 percent in Sao Paulo on the basis of 1,400 interviews.

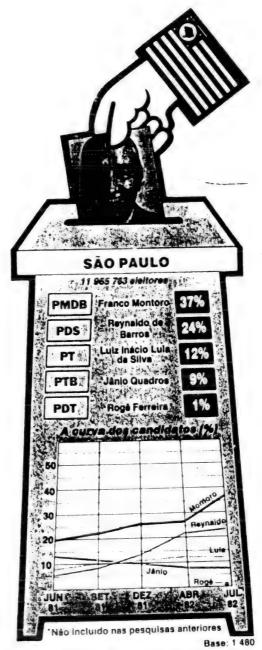
## The Jump by Montoro

If Senator Franco Montoro maintains the present situation for the next 100 days he will be elected. This statement could not have been made in April when he was at the level of 27 percent and former Governor Paulo Maluf was proclaiming his defeat as certain. The source of growth of Montor's candidacy is the unity of the PMDB, which had the craftiness to incorporate Senator Orestes Quercia as candidate for vice-governor, sacrificing former Deputy Mario Covas, who could be the next prefect of Sao Paulo. As he climbs, Montoro consolidates his position in the interior of Sao Paulo even more, where he tends to align himself with the strongest candidate, becoming a case where the PMDB candidate is benefitting from the total linkage of votes created for helping the PDS.

The climb by Montoro was also accelerated by a good slate in which former Minister Severo Gomes stands out as the favorite among the three candidates for the Senate. For the time being, Almino Afonso and Helio Navarro restrict themselves to vying for second place. Although the public oratory campaign is lackluster, the publicity campaign of Montoro is efficient. The new logo of his campaign, a poster with the name "Montoro" written in the radical style of wall signs scrawled with tar is scattered throughout the state. Moreover, a Gallup Institute poll last week showed that 46 percent of the television viewers who watched his debate with another three candidates carried by TV GLOBO on the 14th, believe him to be the most prepared to govern Sao Paulo.

The PDS, on the other hand, was the victim of three disruptions. Its candidate, Reynaldo de Barros, left the prefecture and lost his publicity machinery, which places him at a distance from the voters of the capital where his strength is. Later, former Governor Paulo Maluf progressively withdrew from Reynaldo's campaign to take care of his own bid for federal deputy in which his ambition is to capture 500,000 votes. The PDS also did not attract the followers of former Governor Laudo Natel, who mainly joined the ranks of the undecided.

The number of voters who have not yet chosen their candidate has doubled since April. In a finishing touch, the government party abandoned the principal theme of its campaign, which was focused on the age of Montoro—he is 65—whom the PSD called the "old senator." The slogan did not work.



\* Not included in previous polls
Based on 1,480 interviews

The group of candidates for the Senate from the PDS appears clearer than that of the PMDB: Adhemar de Barros Filho in first place, Blota Junior, second and Jose Papa Junior in third. Adhemar is dissatisfied and has criticized the coordination of the PDS campaign, which is allegedly abandoning the senatorial candidates to their own fate. On Thursday, his brother Antonio Mendes de Barros attacked Reynaldo and gave his support to the candidacy of Montoro. Blota Junior does not share in those complaints because he has the personal friendship of Maluf. The campaign of Papa Junior has been marked by a certain discouragement from the beginning. A year ago, when he was still competing for the vacancy for the candidacy for governor, he put his team into the field to win PDS delegates. He demobilized it after 90 days with the insignificant conquest of one delegate.

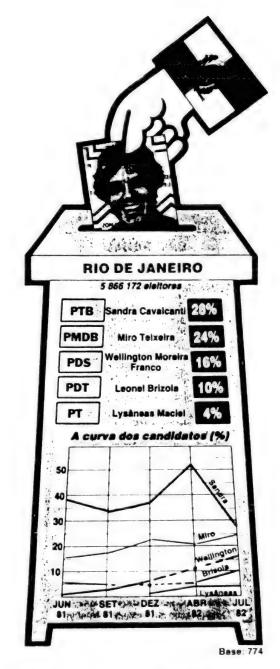
Reynaldo's main hope today rests on the possible growth of Lula. The PT candidate dropped by 1 percent but he is not on a downgrade. He reached his highest point in April when his candidacy first started and his face appeared regularly on television, while in recent weeks his campaign has cooled off a bit. However, the Gallup polls show that Lula tends to grow if he can obtain more television time and they certainly indicate that he grows by taking voters away from Senator Montoro. Slowly, Lula is beginning to make small adjustments in his image, which could make him less frightening in the eyes of the more conservative voters. For example, he has discarded the black cap which gave him the appearance of a dockworker in an American movie. If he were to begin to wear suits, he could win voters.

Just as Lula competes for votes in Montoro's territory, Janio Quadros inhabits the same territory as Reynaldo—the decline of the former president in the polls is matched by the climb of the former prefect. What the series of polls makes clear is that the votes of Janio Quadros today are no more than a mirage. A year and a half ago, Gallup made a survey in which Janio appeared as a favorite in the race for Bandeirantes Palace with 20 percent of the intended vote against the 19 percent of Montoro. From that time to now he declined by 11 percent, a decline only smaller than that of another PTB candidate, Sandra Cavalcanti, in Rio de Janeiro. Despite gaining distance on Janio, the PDS began to detect the first signs of defections which could jeopardize the stability of Reynaldo's candidacy.

# Miro Emerged Strengthened

Sandra Cavalcanti of the PTB lost the absolute majority she obtained in April, and for the first time since the beginning of the VEJA-Gallup poll, her candidacy is showing serious problems. Just as she established the record of growth in the poll when she passed the barrier of 50 percent, Sandra is now breaking the record in declining, losing 24 percent in one round. She is the most noticeable aspect of the confused picture of candidates in Rio de Janeiro, where the only obvious thing perceived clearly is the anti-Chagas sentiment of the voters. The sum of the votes against Chagas Freitas—and, therefore, against the PMDB—was 61 percent 4 months ago and 58 percent now. The 3 percent difference did not join the ranks of the Chaga candidate, Miro Teixeira of the PMDB, but rather the ranks of the undecided. Behind that clearcut position of the voters is the unpopularity rating of Governor Chagas Freitas, who in April was 40 points below zero in a Gallup Institute Poll.

At any rate, it was precisely his candidate Miro Teixeira who benefitted from the anti-Chagas vote division caused by the decline of Sandra, the rise of Wellington Moreira Franco of the PDS, and the improvement of the up-to-then very poor performance of Leonel Brizola of the PDT. Depending on the Chagas electoral machine, one of the most efficient in the country, Miro climbed four points and appears to have resumed the upward climb in his graph. Among all candidates, he is the one who gains the most from the linkage of votes because the PMDB has the best and largest number of candidates for deputy, prefect and councilman in Rio. Sandra only managed to attract one or another Chagas dissident from the second team, such as State Deputy Romualdo Carrasco, and nothing more. Without good candidates to support her undeniable popularity, Sandra threatens to become an inviable candidate.



Based on 774 interviews

# Active Campaign

Unlike her, Moreira Franco has a reasonable party structure inherited by the PDS from the old ARENA, and the experience of his father-in-law, Senator Amaral Peixoto. Four PDS candidates for federal deputy, Rubem Medina, Simao Sessim, Alvaro Valle and Leo Simoes, upon withdrawal mean 500,000 votes for Moreira Franco, who also has a good candidate for the Senate, Celio Borja. More than 80 percent of the Rio de Janeiro state votes are in Greater Rio, in the lowland area and in Niteroi, regions where the PDS is almost as competitive as the

PMDB. The result: Miro, who was happy with the entry of Moreira Franco in the race to take votes away from Sandra, may find in him a much more solid adversary in coming weeks.

Another significant movement in the Rio de Janeiro campaign is that of Leonel Brizola, who doubled his rating in April. The PDT candidate achieved that result by accelerating his campaign. The ranks of Brizola are also swelling from the support of part of the Rio de Janeiro left which did not accept the decision to support Miro and does not believe in the chances of the weak PT candidate Lysaneas Maceal. Leading that leftist fount is the former secretary general of the PCB [Brazilian Communist Party], Luis Carlos Prestes, but Brizola also obtained his share of artists. Caetano Veloso promised to vote for him. Moreover, since the Gallup Poll already linked the candidates for governor and senator in July, Brizola benefitted from the prestige wrested from his slate companion, former PMDB Senator Roberto Saturnino.

In that picture in which Miro potentially has a better chance because of his superior party structure, the Rio de Janeiro election is still undefined. It is perhaps because of that Rio became the scene of the most creative and exciting electoral campaign in the country. The bloc of artists and intellectuals who support Miro Teixeira was born there and an all-out dispute is intensifying there for spaces on walls, posts, beams, overpasses and fences of the city. Brazil Avenue, which links Galeao Airport and the northern zone to the center, and which has the greatest amount of traffic in the city, is literally covered with posters.

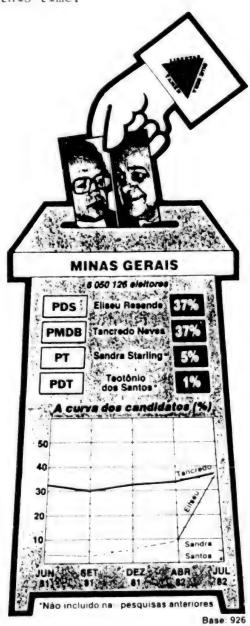
Activity is feverish. The teams of Sandra and Moreira Franco paste up as many as 2,000 posters each every morning. Not always does the work of the teams of pasters take place peacefully because they paste their posters over those of other candidates and the police do not approve of their activities. The Moreira Franco team created a safe conduct item which sometimes works for them: a poster in which he appears at the side of President Joao Figueiredo.

## A Tie in Minas

Commenting and criticizing the advanced age of his PMDB adversary, Tancredo Neves, 72, in his first public appearance as an official PDS candidate, former Minister Eliseu Resende supposedly committeed an unpardonable electoral gaffe. Both opponents and supporters believed that and they censured his statement, and he himself believed it and regretted it in conversations with friends, although he did not suspect that even the usage and customs of the hermetic Minas Gerais politics can undergo a change. In the fifth round of the VEJA-Gallup Poll, Eliseu made a formidable leap from 10 to 37 points, catching up with Tancredo, who everyone considered a front-running favorite in the race.

It was one of the great surprises of that survey. It is not yet the result of any personal act by the former minister because his showing reflects the definition of the PDS candidacy in Minas, which up until the last survey was fragmented among several rivals. Moreover, he is benefitted by the general linkage of votes, which forces even those who are dissatisfied with the official status of his candidacy to form at his side in a disciplined manner. In May, still preferred by the large majority of voters, Tancredo spoke ironically about

the dissension in the enemy camp. "The more they squabble, the easier my election will be." It was enough for the PDS to stop quarreling in public to make it more difficult. In the previous poll, when they had not yet been locked in by the linked vote to an official candidate, 10 percent of the PDS voters who preferred other candidates, when asked to say how they would vote if their party opted for the former minister of transportation, simply swung over to Tancredo, who thus attained the hypothetical and fascinating level of 42 points, which could not be confirmed this time.



\*Not included in previous polls
Based on 926 interviews

Thus, although at the end of the week it was busy with the need to choose a replacement for Deputy Magalhaes Pinto on its slate of candidates for the Senate, the PDS outwardly exhibited an internal unity as healthy as that of the PMDB. The opposition party has not completely recovered either from the storms caused by the incorporation of the PP, which led it to adopt the candidacy of Tancredo Neves. The fields of force of the two parties, which are truly competing for the government of Minas, defined in that manner (the PT candidate Sandra Starling and PDT candidate Teotonio dos Santos did not obtain a significant number of votes), it remains for their candidates to struggle to win the decisive votes of the 16 percent of the voters who still declare themselves undecided.

According to the Gallup Institute itself, for the Minas Gerais voters the names of the candidates are more important than the party initials. Although those polled had already made a choice on whom to vote, almost half of them (41 percent) declared they had not yet made a choice of parties and it is probable that they will never make one. It will be necessary, therefore, for the candidates to make a decisive personal effort to insure that conquest. Tancredo Neves has just finished receiving the formal support of nearly 300 intellectuals from Minas Gerains, an event which is apparently of more cultural than electoral importance.

#### Final Reserves

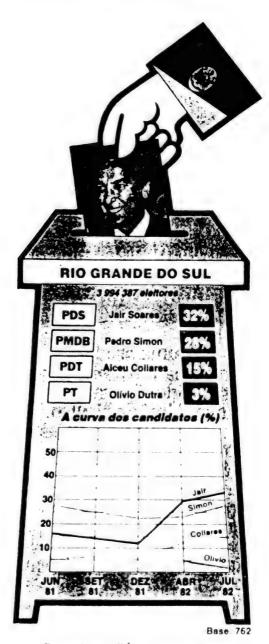
The PDS, in turn, seeks to mobilize within its ranks the electoral experience their candidate lacks. An esoteric Political Council was created, which from now on will be responsible to insure that Eliseu Resende does not become as careless as when he made that remark about the age of Tancredo. It consists of former PSD [Social Democrat Party] members Pio Canedo (72 years-of-age), Senator Murilo Badro, 50; Jose Augusto Ferreira Filho, 65; and Paulo Pinheiro Chagas, 75, and of former UDN [National Democratic Union] members, former deputies Guilherme Machado, 65; Jose Monteiro de Castro, 73; Oswaldo Pierucetti, 73 and Jose Bonifacio, 78. From the extinct PR [Republican Party], there is Joao Bello, 73.

Adding up the figures, it is discovered that the council created to guide the steps of Eliseu Resende in his first electoral campaign is not very far-because of their average age of 69 years--from the vast experience accumulated by Tancredo Neves. Engaged in an escalation of the campaign by a series of small sorties, the senator apparently no longer has any reserves to hurl into battle. His victories in the future reside mainly in his capability to alternate criticisms of the economic policy of the federal governments and its decision to import garlic and potatoes, and his promises that in government he will not deal with striking teachers by using fire hoses, clubs and tear gas against them as the PDS government of Francelino Pereira has done, depending on whether his audience consists of farmers from Alfenas or teachers of the school group of Ponta Nova.

Eliseo Resende, on the other hand, has something new to show. At the end of last week, for the first time, he enjoyed the company of Vice President Aureliano Chaves at a rally held in the city of Itajuba. This week he will have the company of President Joao Figueiredo, who is personally endeavoring to insure at least two state governors for his party in the Minas Gerais, Sao Paulo and Rio de Janeiro axis.

Distance Between Simon and Soares Decreases

The PDS feared a reaction by the Rio Grande do Sul voters after the new minister of Social Welfare, Helio Beltrao, cancelled nearly 2,000 accreditations made on the last day of his term by his predecessor Jair Soares. The measure created a crisis between Soares, the PDS candidate for Piratini Palace, and the summit of government. He lost the conflict in Brasilia but emerged almost unscathed in the new round of the poll against Senator Pedro Simon, the PMDB candidate and former favorite in the race. The distance between them decreased from 7 to 4 points in 4 months, a very sure indication of the growth of Simon and enough to indicate that the Rio Grande do Sul election remains even.



Rased on 762 interviews

In recent weeks, however, Simon has faced more obstacles than Soares. The most serious of them is the slow but persistent rising curve of PDT candidate, Deputy Alceu Collares. Simon and Collares treat each other as irreconcilable enemies. When the PCB publicly announced its support for the PMDB candidate, Collares called Simon a "traitor to labor." The senator replied by accusing the PDT candidate of forgetting that "the enemy is the PDS."

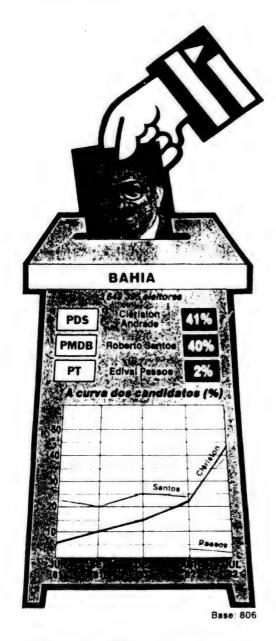
Collares did not forget Soares. In a chorus with Deputy Getulio Dias, the PDT candidate to the Senate, he accused Soares of "Picking the pockets" of the Brazilian people by having increased the amounts of discounts for the welfare ministry when he was minister. Last week Soares announced a suit for libel, calumny and defamation against the PDT couple. The one who received the greatest setback, however, was the PT, which was 10 minutes too late to register its slate and now depends on an appeal in order to be able to compete.

#### Cleriston Takes the Lead

The taking of first place by his candidate, Cleriston Andrade, which had long been anticipated by Governor Antonio Carlos Magalhaes, has finally been confirmed. The always upward rise of Cleriston, who from the first round of the VEJA-Gallup Poll has been having the most regular progress among all the candidates, leaves no doubt as to his favored status, which has been consolidated by the party picture in Bahia where only the PDS and the PMDB have any influence. The opposition suffers from an overwhelming disadvantage: There are no municipal PMDB candidates in 85 of the 336 municipalities of the states, which may straight away give Cleriston a lead of 540,000 voters over former Governor Roberto Santos. Encouraged by that superiority, Cleriston, a Protestant pastor who headed the Bahia State Bank, is exercising his ecumenism. Two weeks ago he attended two masses on the same Sunday, first in Satiro Dias and then in Salvador.

The main thrusts of his campaign are formulated by Governor Antonio Carlos Magalhaes, a specialist in winning elections. Last week the former prefect of Salvador, Mario Kertesz, announced his support for the PMDB in a televised announcement lasting 8 minutes and with vigorous opposition rhetoric. The reply by the governor came in a short and demoralizing thrust: He replayed on the air an announcement only 35 seconds long in which Kertesz, when he was the prefect of the capital, said that Bahia owes what it has that is good "to God and to Antonio Carlos Magalhaes."

Last week PMDB candidate Roberto Santos, who like Kertesz chose the opposition after having served the government faithfully, sought to recover ground with a 4-day tour through the Reconcavo da Bahia [large fertile area on the Bahia coast]. Up to now Santos has managed to keep around himself the complicated left of Bahia, which has such radical figures as Federal Deputy Francisco Pinto. However, at his left, the PT candidate, Edival Passos, promises not to give him any breaks. Passos can only climb on the ladder of Santos and for that reason chose the PMDB as the favorite subject for his criticisms.



Based on 806 interviews

### A Favorite Who Falls Behind

The great surprise of the fifth round of the VEJA-Gallup Poll is the passing of Senator Marcos Freire of the PMDB by Roberto Magalhaes of the PDS in what had previously been considered one of the greatest electoral cinches of the entire country. In that turn of events, Magalhaes, who was vice governor of Pernambuco until he became a candidate, caused the change in attitude of the voters who did not want to vote for any of the candidates available, and the reason for that change undoubtedly is his running mate on the slate, former Governor Marco Antonio Maciel, who is candidate for the Senate. Maciel disqualified himself in April, at which time he held the title of being the most popular governor in Brazil. A Gallup Poll at that time showed that his approval rating among the people of Pernambuco was 43 percent. The effect of that appears clear today in

the surge by Magalhaes and in the campaign of Maciel himself for the Senate, where 32 percent of the voters prefer him against 27 percent who prefer Cid Sampaio. Intuitively, the veteran deputy Thales Ramalho of the PDS of Pernambuco hazarded a forecast 2 months ago which no longer seems so amazing: "The PDS is going to win in Pernambuco by 100,000 votes."

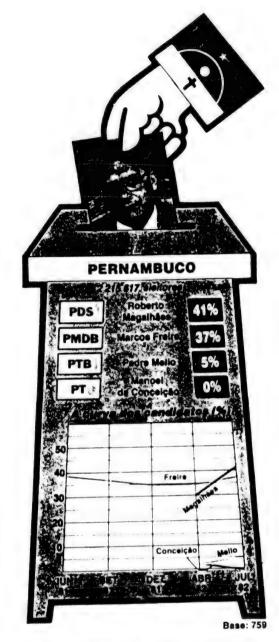
In Making that accounting, Thales was already counting on Maciel as a candidate for the Senate, something which was only decided upon around the middle of July. The PDS slate in Pernambuco is a complete example of how the main parties, when they truly manage to unite, are capable of feats such as that of dethroning an all-out favorite like Freire. In addition to Maciel, Magalhaes has another valuable supporter, his candidate to vice governor, Gustavo Krause, who has votes in the metropolitan region where the PMDB is the strongest.

Although Roberto Magalhaes may be an unknown outside of Pernambuco, he has shown in the electoral campaign that he is a skilled politician with his own influence. His was not the favorite candidacy of Maciel, who appeared to favor the nomination of Gustavo Krause as candidate for governor. However, it was Magalhaes who came out in first place in the surveys made by the former governor among the PDS legislators of Pernambuco and that is why he obtained the candidacy. At 49 years-of-age, he has already been the legal adviser of the Cid Sampaio administration in the 50's and secretary of education in the Nilo Coelho government in the 60's. Married, the father of four children, Magalhaes was a teaching colleague of Marco Freire at the Recife Law School.

Promoted to vice governor as the personal choice of Marco Maciel, who knew him from the circles of those around Agamenon Magalhaes, "China Gordo," the interventor of Pernambuco during the New State and uncle of Roberto Magalhaes, the PDS candidate is a combative and hard politician. Outside politics, he built up one of the largest law offices in Pernambuco and has a reputation as being a man with a short fuse, assertive and loyal. He substituted for Marco Maciel as governor because of the frequent trips by the governor to Brasilia, and he never caused him any problems, although he is in favor of vigorous actions against squatters and occupiers of houses in Recife (Maciel negotiated the peaceful withdrawal of the squatters in the last half of last year). Magalhaes confesses he is an admirer of the "civilized Gaullist right" in France.

# Internal Dissensions

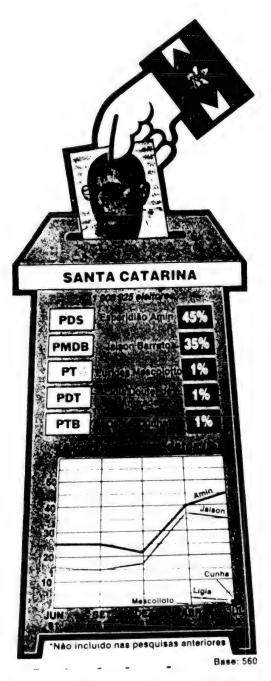
The surprising performance by Magalhaes in the campaign and the reinforcement of the prestige of Maciel, however, are not enough to explain the stagnation of the campaign of Marcos Freire. He sought to unite the PMDB by placing former Governor Cid Sampaio, formerly of the PP, as his candidate for the Senate. In order to do that, however, he had to break with former Deputy Jarbas Vasconelos, organizer of the party in the state. Vasconcelos does not take kindly to Sampaio, whose votes for a subslate of ARENA added to those of Nilo Coelho in 1978 defeated him in the election for the Senate. Another famous PMDB figure, former Governor Miguel Arraes, proposed, at the beginning of the year, a political agreement whereby the PMDB and the PDS would unite around the candidacy of PDS figure Gustavo Krause, discarding Marcos Freire. The suggestion did not prosper.



Based on 759 interviews

Internal divisions immobilized Freire, whose campaign did not recover momentum even with his good performance in a debate sponsored by TV GLOBO on the 15th among the four candidates for the governorship. There is an obvious bipolarization among the voters of Pernambuco between the PDS and the PMDB, and the opposition is beginning to show signs of discouragement. The weak point of the PMDB now is its loss of consistency in the metropolitan area where Geraldo Melo, the former prefect of Jaboatao, the second largest electoral college in the state, changed over to the PDS as candidate for federal deputy.

The PT and PDT practically do not exist in Pernambuco but the PTB may hinder the already difficult campaign of the opposition a little bit more. Marco Maciel took the care to bring Father Mello, who achieved great prestige in Pernambuco as the adversary of leftist leader Francisco Juliao, from Belem do Para where he worked. Maciel gave Father Mello the PTB label in the hopes that he would wrest votes from the PMDB in the slums of Recife and strengthen the chances for victory of the PDS.



\* Not included in previous polls Based on 560 interviews

### Amin Takes Off and Jaison Stumbles

Santa Catarina has its oddities. The main electoral redoubts, for example, are outside the capital, Florianapolis, and are in cities such as Joinville, Lajes and Blumenau, all of them traditional opposition centers. It is precisely there that PDS Espiridiao Amin is concentrating the main efforts of his campaign, criticizing the municipal administrations. He has the advantage of being of the opposition in the cities with the most electoral influence. The strategy has had good results for Amin and is an assurance that makes him already have come close to winning the majority of the voters. As in other states where the campaign has become polarized between only two candidates, the linkage of votes in Santa Catarina benefits the PDS, which appears to have overcome its problems with former Governor Antonio Carlos Konder Reis and incorporated the voters who were loyal to him into the ranks of Amin.

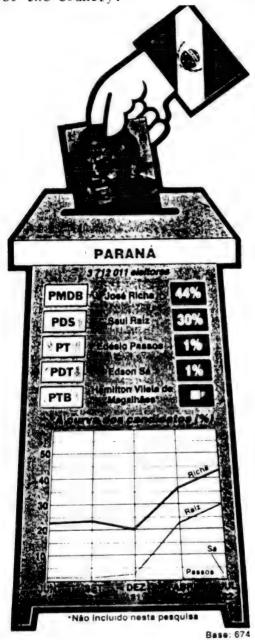
The Santa Catarina opposition is contained in the PMDB because the candidates of the PDT, Ligia Doutel de Andrade; of the PTB, Osmar Cunha, and of the PT, Eurides Mescolotto, have no standing according to the surveys. Even so, Jaison Barreto, the main opposition candidate, is not doing well and continues to stagnate in second place. His fellow party members believed that the definition of candidates for deputy, prefect and councilman would reverse that situation because the PMDB has strong candidates in Santa Catarina. When the candidacies were established, however, the PMDB hopes were dashed: Barreto fell two points.

# Richa and Raiz Play Their Jokers

Blow for blow, that is the way the campaign without quarter is taking place in Parana between the PDS and PMDB. The incorporation of the PP into the PMDB was answered by the PDS with the launching of the candidacy of former Governor Ney Braga for the Senate, where he leads by 28 percent of the voter preference, the same rating achieved by the candidate for governor, Saul Raiz. In the previous round of the survey, just the announcement that Braga would be a candidate caused the Raiz candidacy to jump 22 points in the ratings, and the prestige of the former governor indicates that as the influence of the subslate becomes more accented in the campaign, the more votes Braga will bring to Raiz. Fifteen days ago, new blows were struck: the PDS caused the Electoral Court to prevent the PMDB from broadcasting some televized publicity with actor Carlos Vereza. The opposition immediately replied in kind by removing from the air a statement by actress Dina Sfat, who in Parana would vote with the government party, although in Rio, where her voting residence is, she prefers the PMDB.

The PDS counterblow came last week, when in answer to a personal appeal by President Joao Figueiredo, former Governor Paulo Pimentel decided to support Saul Raiz. The protagonist of a tortuous career which made him successively the pretender to the position of PDS candidate, then candidate forwarded by the PTB and a supporter of the PMDB when his victory was revealed to be impossible, Pimentel is perhaps responsible for the existence of the 21 percent of undecided voters in Parana, the highest percentage in the country, according to the V VEJA-Gallup Poll. If this is so, the next rounds of the poll could bring some agreeable surprises to the PDS, although the PMDB has already also scheduled the next step of its offensive: by the end of the month former Governor Canet

begins to participate determinedly in the campaign at the side of Richa, visiting the interior of the country.



\*Not included in previous polls
Based on 674 interviews

A newcomer in campaigns of that type, Raiz continues basically to depend on the prestige and electoral competence of Ney Braga, who has never been defeated in direct elections in Parana. Braga has already managed to pacify all the dissident wings which in the PDS contested the Raiz candidacy. The main one was that of Pimentel, who has already changed the orientation of his radio and television staions, which are now engaged in praising the official party candidate and criticizing that of the PMDB.

# A United PMDB Keeps Iris in Front

In April, the PMDB candidate, the former prefect of Goiania, Iris Rezende, appeared to have halted his amazing march to the governorship of the state because of a lack of support provoked by the resistance of the left wing of the party, headed by Senator Henrique Santillo, to become involved at once in his campaign of populist nature. On the other hand, the PDS, personally encouraged by President Joao Figueiredo, sought the unity of all its wings around a single candidate, and that was achieved with former Governor Octavio Lage, who emerged as the most popular among the constellation of lesser stars shown by the party.

The holding of conventions which established the candidacies apparently consolidated previous positions. Lage, actually obtained the points which were given to his competitor within the PDS, Ibsen de Castro. However the peace obtained in the official party, even if sponsored by Planalto Palace, was not complete. Defeated at the convention, Governor Ary Valadao heeded the appeals of Figueiredo and joined in the Octavio Lage campaign but he refused to have anything to do with the candidate for vice governor, the bionic senator Benedito Ferreira. Last week as they were boarding a state government airplane which was to take them to a rally in Morrinhos, Valadao prevented the boarding of Ferreira and explained to the ambarrassed Octavio Lage: "He does not go in my airplane."

Rezende, on the contrary, appears to have the definitive support of the entire PMDB, including that of the aggressive left wing. On Tuesday, in a tumultuous rally in Anapolis blessed by the presence of national party president Ulysses Guimaraes, who spoke to hail victory, the PMDB showed how far it is willing to go to win the government of the state. While they applauded the speakers, the 10,000 persons present chanted the new opposition slogan: "Iris in 82, Santillo in 86."

### The Efficiency of Linkage

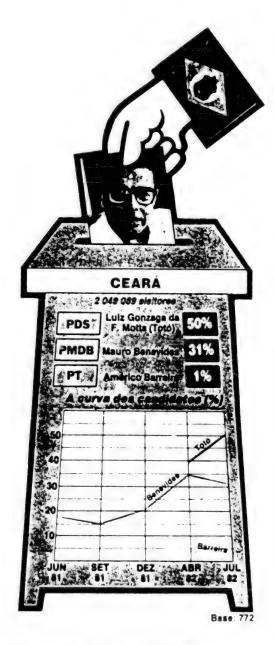
Perhaps the most consistent demonstration of the efficiency of the total linkage of votes for well-structured parties, even when divided among powerful rival leaderships, is being given in Ceara. Economist Luiz Gonzaga de Fonseca Mota, "Toto," the PDS candidate, consolidated his status as the candidate preferred by the voters by another 11 points. That means that the three great PDS leaderships: former Governor Virgilio Tavora, Adauto Bezerra and Cesar Cals, after painfully negotiating the agreement which united them around that candidate, also managed to mobilize their rank and file for a common effort.

Forced to accept in 1982 a candidate who is not of his preference, he preferre! himself as a candidate, Adauto Bezerra is working actively to consolidate his position within the party to insure his status as a candidate in 1986. To do that he is seeking, along with members of his group, to make 44 state deputies and five of the 22 federal deputies of Ceara. Tavora, who at 62 no longer nurtures plans of such long range, struggles to enjoy a peaceful end to his career with 8 years in the Senate. All that effort brings votes to the Mota candidacy and, therefore, wrecks the campaign of the PMDB campaign, Mauro Benevides, whose only real hope of victory resides in the prospects of a divison opened among the chief opponents. That is what happened in 1974 when Virgilio Tavora was surprised by a candidate not of his choosing, precisely his rival Adauto Bezerra,

for the indirect elections for governor, and he unloaded all his popular votes on the MDB candidate for the Senate. Without the linked vote, the supporters of Virgilio were able to vote for the opposition for the Senate and for their own candidates for state and federal deputies. When the PDS wages a campaign united, it manages to govern disunited.



\* Does not include previous polls Based on 791 interviews



Based on 772 interviews

8908

CSO: 3001/228

COUNTRY SECTION BRAZIL

LUDWIG APPOINTMENT TO MILITARY HOUSEHOLD VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 82 p 13

[Article by Carlos Chagas]

[Text] For hours or for a few days, the departure of General Rubem Ludwig from the Education Ministry and his probable appointment as chief of the Military Household represent another stage in the intricate chess game that has been marked by arrangements, ousters and reshuffles in the government. It is something for the palace illuminati but, nevertheless, not impenetrable. They say that General Joao Figueiredo has one or more options for each cabinet post which he keeps without revealing them to anyone until the moment when replacements become necessary, whether foreseen or unexpected. A few hours after Minister of Justice Petronio Portella died, Ibrahim Abi-Ackel was asked to accept the position because he had impressed the chief executive with his logical arguments during a dinner for congressmen, meriting the comment by Figueiredo to then Minister Golbery do Couto e Silva: "That boy will yet be my minister." He would be, but not of justice because no one ever imagined the sad event of Petronio Portella's death. Ibrahim was marked for the Education Ministry because the president already perceived what would be the result of the clash between the news community and Eduardo Portella. Thus, when the today academician and immortal entered a collision course with General Octavio Medeiros, his probable replacement had already replaced another minister and the remedy for Planalto Palace was to resort to a short of wild card. The recently promoted General Rubem Ludwig was chief of the Secretariat of the National Security Council and had just been named to command the Agulhas Negras Military Academy, but in view of the sudden resignation of Eduardo Portella, he was called upon to assume the mission of succeeding him, which he did not refuse. He stressed, however, that he would be a minister as long as Figueiredo wanted him. Next Vovember he would complete 2 years out of the army ranks, a situation that would lead to his mandatory detachment from the military career, a distressing thing for him, but he was continuing and would remain there if the president so decided.

Leministrating sensitivity and at the same time taking advantage of the problem of General Venturini, who will leave active service at the end of the year by virtue of mandatory retirement, forcing him also to leave the position of chief of the Military Household, a position reserved for active general officers, the president must have tried to kill two tirds with one stone. He felt that despite the fact that he fulfilled missions without hesitation, Ludwig would not like to be excluded from the army. He told him on 13 July that he needed him to return to the ranks, leaving the Ministry of Education for the position of chief of the Military Household. In order that Venturini will not leave the so-called palace group, he will have the position of minister-chief of the Secretariat of the National Security Council, a position that is going to be created.

hubem Luiwig is thus preparing to enter the aforementioned group to which he dil not belong even when as a colonel he was the executive secretary of the National Security Council. He had been the official spokesman, press secretary, in the government of Ernesto Geisel, with whom he maintained personal relations. With Figueirelo, his connections were always protocolar, ceremonial. He never went to the Torto Ranch for the Sunday barbeques.

Peing a military man in the Ministry of Education and considering it a mission, he carried out important work, paradoxically with better results than Eduardo Fortella, an educator and civilian. He entered the Ministry of Education and Culture forcefully, with prestige, and even settled differences with Minister Lelfim Netto of the Planning Secretariat (SEPLAN) over the reduction of the budget appropriation. If he did not establish a dialog, at least he attenuated the snarpness of the crisis between the government and the National Students Union (UNE) and promoted a substantial reform of the ministry structure.

General Rubem Ludwig is returning to his military career but he is going to do it in essentially political terms, as is the position of minister-chief of the Military Household, which is to advise the president on all matters and to participate in the daily meetings of the cabinet, together with the chief of the Civilian Household, the chief of the National Intelligence Service (SNI) and the chief of SEPLAN. There are those who suppose, that treading that new course, he may have his name suggested for future "missions" in 1985, but that is another story...

8711

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COUNTRY SECTION BRAZIL

UBATUBA RESIDENTS CONCERNED ABOUT INSTALLATION OF MISSILE PLANT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Aug 82 p 16

[Text] The people of Ubatuba, which has a population of 30,000, are concerned about the reports that Avibras Aeroespacial is going to install a rocket and missile factory north of the municipality. The area selected by the company is known as the Puruba hinterland, where the famous green marble, is found on the mountainsides of the Serra do Mar, 20 kilometers from the center of Ubatuba, 50 from Parati and 2 from the Rio-Santos Highway.

Yesterday, about 3,000 demonstrators carrying placards with slogans against installation of the factory went out into the streets of the city in a march to the city hall to present Mayor Benedito Rodrigues Pereira Filho a manifesto demanding that the authorities immediately prevent the Aviabras installation in the municipality.

The march was the result of a meeting held earlier by a group of residents of Ubatuba who oppose the installation of a missile factory in the Puruba hinterland, as reported in the press. A technical committee that was chosen at the meeting met with the mayor and handed him a memorandum asking for explanations regarding the position of the city government in relation to the project. Benedito Rodrigues, who in a moment of anger threw the memorandum on the floor in front of the whole committee, which included councilmen and the president of the chamber, declared that he did not know anything about the project. According to the mayor, the public demonstration "is a political movement of the left," nevertheless, he spoke against the installation of a factory in Ubatuba after much pressure from his Social Democratic Party (PDS) colleagues, concerned about the elections.

However, when the march composed also of teachers and students of the local schools, doctors from the health clinic, engineers and architects, agronomists of the experimental station of the Agricultural Association and of the Fisheries Institute, and housewives, as well as many hotelmen and members of the Commercial Association, arrived at the city hall, Mayor Benedito Rodrigues was not there. According to his aides, he already had a prior commitment with a team of the Aeronautical Technology Center (CTA) that is visiting the city in order to deal with the transfer of the airport.

Finally, the manifesto was handed to the office chief, Edson de Barros, at which time it was requested that the mayor attend a meeting to be held tonight in the parish hall. A technical committee is planning an injunction against the project and a memorandum will be presented to Governor Jose Maria Marin. The councilmen are also going to submit a land use bill to the chamber prohibiting any type of installation of factory in Ubatuba.

## Factory Denial

Avibras Aeroespacial of Sao Jose dos Campos does not plan to build a "missile factory" in Ubatuba or in any place on the northern coast. On the 1,000-"alqueire" [variable land measure] field purchased by the company, a large chemical products depot will be installed in the center of a clearing that will occupy less than 1 percent (actually 0.8 percent) of the total area. According to the president of Avibras, Engineer Joao Verdi de Cafvalho Leite, the siting of warehouses for nitrate products must always call for isolation, humidity, low temperature and shade "as a sort of natural refrigerator since those materials are very perishable."

Thus, Avibras selected the reserve situated 15 kilometers from Ubatuba and 3 kilometers from the beach, planning to maintain 15,000 square meters of storage sheds there. The only production line that may possibly be taken to the new unit is antihail rockets intended principally for farmers. Instead of an explosive warhead, those devices carry a load of silver iodate which detonates in the middle of a heavy cloud, accelerating precipitation and averting ice storms.

In fact, Avibras Aeroespacial is engaged at this time in concluding work on its factory Number 2 at the Santa Branca dam, 20 kilometers from Sao Jose dos Campos. There, in the midst of islets and natural elevations, the organization assembled a large line for the manufacture of rockets, missiles, explosives and propellants. In addition to that, the company, which will employ 2,500 employees by December, is studying the possibility of establishing itself in Parana, with tax incentives offered by the government.

8711

CSO: 3001/223

COUNTRY SECTION BRAZIL

#### BRIEFS

BARREIRA DO INFERNO LAUNCHINGS -- Natal -- The Barreira do Inferno Rocket Launching Center in Natal confirmed the launching of a number of rockets from 4 to 18 September in cooperation with the U.S. Air Force Geophysics Laboratory (AFGL) and the Max Planck Institut Fur Estraterrestriche Physik (MPI) of Germany to study the phenomenon known as "F" scatter caused by irregularities in the density of ionization of the ionosphere at the height of the equatorial region. In the operation, called "Cruzeiro do Sul," two U.S. Nike Black Brant VC and four Brazilian Sonda-III rockets will be launched. In one of the launchings, the technicians will force the development of the irregularities in the ionosphere in order to be able to study the phenomenon. Those irregularities cause interference in the electromagnetic signals in the VHF and UHF bands used for satellite telecommunications channels, and in the decomposition of the earth's magnetic lines. A U.S. Air Force C-141 arrived in Natal the day before yesterday, carrying 25,000 pounds of scientific equipment to be used in operation "Cruzeiro do Sul." Accompanying the equipment were two U.S. scientists who will participate in the experiments. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Aug 82 p 10] 8711

CSO: 3001/223

COUNTRY SECTION COSTA RICA

#### PRESIDENCY MINISTER ON MEASURES TO FIGHT CRISTS

San Jose LA NACION in Spanish 20 Jul 82 p 1 B

[Text] Seventy-five days after the start of the new administration, criticisms abound in the measures taken and in those they failed to take. The governing style and personality of Luis Alberto Monge is the subject of much comment. Those judgments have already come to Zapote.

There, the presidency minister, Fernando Berrocal, one of the men closest to the chief executive rejected them and defended his boss.

Here are some of the arguments: "An abysmal difference exists between a technocrat and a politician; and Luis Alberto Monge is the latter." The historic goal of Costa Rican social democracy is to raise the standard of living in the provinces and to change workers into proprietors." (See Chart).

Fernando Berrocal argued in favor of the much discussed presidential personality. He admitted to the fact that Luis Alberto Monge had not spent the past 30 years preparing himself to be the minister of finance, of economy or president of the Central Bank. He prepared himself to exercise the political power of the state and that is what he is doing.

In his opinion, a technocrat drained the nation in 4 years, but a politician will achieve national recuperation in the next four by directing the team of experts he named as ministers.

This is the first fundamental change Mr Berrocal sees with respect to the past administration. The other change is in presidential style.

He explained that Luis Alberto Monge is a man who listens and believes in dialoguing and when he talks about national unity and cooperation among all sectors in facing up to the economic crisis in Costa Rica, he does so with sincerity. "To that effort he has dedicated a large part of his energies," he insisted. Mr Berrocal made a comparison: "After the hurricane came calmness, and intemperance and prepotency were followed by a quiet and peaceful man in whom the nation can trust."

He believes that the majority of Costa Ricans prefer that presidential style because it is more deeply rooted in such essential sentiments as tolerance and respect towards the ideas of others which are basic in the democratic tradition.

By taking precipitous actions and on the basis of events by another governing official is how Mr Berrocal defines the crisis and the state of prostration in which, by his criterion, the country seemed on 8 May.

Social democratic ideology, which is what National Liberationists profess, can concentrate on attaining one goal: to raise the living standard in the provinces, the presidency minister explained.

Palmares and Naranjo provinces are prototypes which symbolize the strength of cooperativism and the economic and social development which the party attempted, he added.

The Sugar Cane League, an agricultural and industrial association, which buys, stores, distributes, sells and exports produce, serves as a model for organizing sectors in foreign trade, he said. In his opinion, something similar must be done in the case of coffee, meat, rice and other produce with the objective of changing foreign trade structure. If this does not happen, exchange policy measures will not suffice.

Mr Berrocal thought that economic adjustment had been strong and is at the limit of what the present structure in Costa Rica can sustain. From that point of view, salary compensation is not sufficient.

For that reason, he added, we must change workers into proprietors, changing unemployment assistance from an expectation of a right into an actual one, and channeling those resources into production, incorporating workers in the process, is a fact that will be basic for the nation.

Cooperativism is another way to attain the goal that political democracy become economic and social democracy, he stressed.

Finally, herewith a list of the measures taken in the economic and social areas.

The Crisis, the Measures and the Results

Costa Rica on 8 May

- -- Between \$4,000 and \$4,500 million in foreign debts.
- -- 16 million colons in fiscal deficit in the public sector.
- -- 100 per cent inflation in 1982.

- -- More than 600 percent devaluation
- -- Drop in production even minus 10 percent (1981-1982).
- -- 176 thousand unemployed and underemployed.

### I Economic Measures

- -- Control of foreign exchange (passage in the Legislative Assembly) by reforming Articles 93, 94 and 100 of the Organic Law of the Central Bank.
- -- Fiscal austerity due to 20 percent drop in 1983 budget for the Central Government and a 10 percent one for decentralized institutions.
- -- Aid to businesses with problems caused by devaluation.
- -- Renegotiation of the foreign debt.
- -- Strategy for getting cooperation from the United States, Mexico and Venezuela
- -- Aid to the agricultural and livestock sector (reduction in interest rates for certain activities).
- -- Financing the local roads program and of the general housing plan (1,500 houses in the last half of 1982).

## II Financial Adjustments

1. Increase in charges

Α.	A. Electricity		
	a.	residential	56%
	b.	industrial	75%
	c.	commercial	90%
3.	3. Telephones		90%
		_	

C. Hydrocarbons 80% (average)

2. Elimination of subsidies

A. Flour	100%
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B. Transportation

ons
4.25

### 10.04153

- -- ICE (Costa Rican Electricity Institute): 800 million colons in income
- -- RECOPE (Costa Rican Oil Refinery): Inorganic emissions were avoided at cost of 2.6 billion colons and the cancellation of 1.05 billion colons to CODESA (Development Corporation, Inc.).
- -- INC and RECOPE: solution for deficit in order to maintain its economical operation, absorbing an exchange differential.
- -- Transportation: Elimination of 325 million colons in subsidies (between 80 and 100%) and assimilation of the price increase at a cost level.
- -- Agricultural and livestock sector: Start of a recovery program with (Let's return to the land) a reduction in the types of interest.

# III Social Adjustment

- 1. Salary increase
  - a. Public sector: 1,000 colons beginning in July
  - b. Private sector: around 50% in the lowest sectors beginning on 15 August
  - c. Definition for lowest salary range
  - d. National food program
  - e. In progress:
    - a. changing unemployment compensation
    - b. Strengthening of the cooperative movement.

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COUNTRY SECTION COSTA RICA

CANADA TO FINANCE DEVELOPMENT PROGRAM IN NORTH

San Jose LA NACION in Spanish 7 Aug 82 p 4-A

[Text] An economic corporation established in Canada for the express purpose of aiding Costa Rica will finance the development of the north area of the country, in the region of San Carlos and Los Chiles.

This was announced by Horst A. Schimid, minister of economic development of the Canadian province of Alberta, who is in our country with a retinue of 13 technicians specialized in the various fields whose development is being contemplated here. The official in question, who last night was honored at a dinner in the Presidential Mansion offered by Chief of State Luis Alberto Monge, met again yesterday over a breakfast offered at the Caria: Hotel with Francisco Morales Hernandez, the minister of agriculture and livestock, and Juan Bonilla Ayub, the president of the Costa Rican Development Corp (CODESA), with whom he examined several aspects of the proposed programs.

Mister Schimid said that President Monge had informed him about the housing needs of the country and several agricultural projects. He said that the housing industry has been considerably developed in Alberta, and they have brought to Costa Rica the methods used there in that field in order to determine how they can be applied by using Costa Rican raw materials, such as bagasse, jaragua and rice straw.

He explained that projects of this kind normally require much capital, but the one he intends to promote in Costa Rica will cost less than \$5 million to produce 3,000 houses annually. He said that the use of sugar cane in this plan would provide bagasse as raw material for the housing, and the rest would be processed into sugar and animal feed.

San Carlos

With regard to the development programs in San Carlos and Los Chiles, he said that Minister Morales Hernandez has proposed three projects: the drainage of 40,000 hectares in the region of Los Chiles; the construction of an international airport in San Carlos, jointly with a beef and milk development plan

which includes a facility for embryos and semen; and lastly, the incorporation of the Alberta groups into the private lumber corporation that will be established in Costa Rica to deal with everything related to reforestation.

Schimid announced that technicians sent by the Ministry of Agriculture of Alberta will arrive next week to perform the respective feasibility studies. He also added that a company was organized last week to deal specifically with the aforementioned plans for the north area.

He said that he had met with the minister of agriculture of Alberta and had appealed to him to work jointly for the benefit of Costa Rica. "Definitely," he explained, "these companies that make up the consortium are in charge of raising and financing the capital needed for this development." He emphasized that the government of Alberta is going to help and support all financial negotiations that are necessary to carry out these programs, for which purpose it has assigned someone to deal exclusively with this matter. He is a professional skilled in doing business with the World Bank and the Development Corporation of Canada.

He explained that the whole investment will be managed in the form of a barter, because our country will have the opportunity to repay these obligations with the export of some products.

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COUNTRY SECTION COSTA RICA

### BRIEFS

AGREEMENT WITH ARGENTINA--In what constitutes a resumption of economic relations with the Argentine regime, the Central Bank approved with the support of the Executive Branch an agreement with the Central Bank of Argentina to establish a line of credit of \$15 million to pay for the import of capital goods, raw materials or goods related to the production of that country. These transactions will be effected at an annual interest rate of 7.5 percent, which is considered very favorable. It was pointed out that a similar agreement had been set up prior to this for a like amount and identical purposes, but it had been cancelled for various reasons. The approval of the contract is significant because it provides financing for Costa Rican products and restores economic and financial relations with a friendly government. The process has accelerated in the wake of the Malvinas conflict, a Central Bank spokesman commented. [Text] [San Jose LA REPUBLICA in Spanish 30 Jul 82 p 3] 8414

CUBA CUBA

### HART'S ACTIVITIES AT UNESCO CONFERENCE DESCRIBED

Clash With Italy

Havana GRANMA in Spanish 30 Jul 82 p 5

[Article by Jorge Timossi]

[Excerpt] Mexico City, 29 Jul (PL)--Cuba rejected today Italy's declarations at the Second International Conference on Cultural Policies of UNESCO [United Nations Educational, Scientific, and Cultural Organization] relating to French criticisms of United States "financial and cultural imperialism."

The speech by the French minister of culture, Jacques Lang, at the early plenary sessions of this UNESCO conference brought forth reactions by the American delegation.

The U.S. delegation in turn received the support of the Italian, British, and West German delegations.

One of the two heads of the Italian delegation, the undersecretary of state for foreign affairs, Raffaele Costa, handed out a memorandum at the plenary session in which he noted that his country could not align itself with the French positions and that these "revealed indications of pro-Castro sympathies" and the "reaching out for uncritical support in the Third World."

The Cuban delegation, headed by the minister of culture, Armando Hart, handed out a response sheet in which it noted that these notions of Costa were read "with surprise."

"Cuba's delegation," he added, "cannot accept that the development of friendly relations with Cuba and underdeveloped countries in general should be viewed as a censurable fact."

He added that Cuba has many friends in Italy and that such [negative] reference could not be understood "all the more so when it originates from the senior

official of a country with which Cuba signed a cultural agreement and with which it maintains friendly, normal diplomatic restations and of mutual respect."

The assertions by Raffaele Costa do not parallel the words of the other head of the Italian delegation, the minister of cultural assets, Vicenzo Scotti, who in a speech at the plenary session said that it is necessary to maintain "a common awareness that the traps and dangers" highlighted by the French minister "are common to all peoples."

He added that the "industrial countries are well aware that the increase in cultural assets is not translated in absolute manner in greater freedom and a quality of life acceptable for the individual."

Many delegations of developing countries, principally African and Latin American, supported the declarations of the French minister.

Clarification of the Italian Minister

Italy's minister of cultural assets, Vicenzo Scotti, clarified this evening the positions of a member of his delegation attacking France and Cuba at the UNESCO conference on cultural policies.

The Italian minister held personal interviews with France's minister of culture, Jacques Lang, and his Cuban counterpart Armando Hart, and said that a note of the undersecretary of state for foreign affairs, Raffaele Costa, had been sent only on a personal basis.

Minister Scotti even reaffirmed to PRENSA LATINA and to ANSA, the Italian news agency, that the official position of his country is that expressed by him and that Italy and Cuba have excellent diplomatic and cultural relations.

# Latin American Unity

Havana GRANMA in Spanish 3 Aug 82 p 5

[Article by Jorge Timossi]

[Text] Mexico City, 2 Aug (PL)--Cuba's minister of culture, Armando Hart, reported today the cohesion of the Latin American group as one of the points of major interest at UNESCO's conference on cultural policies being held in Mexico City.

This cohesion regarding working proposals has occurred despite political and ideological differences, he explained, and the origin of such solidarity "can be found in the case of the Malvinas Islands, which disclosed a continental unity against outside British-American aggression."

The head of the Cuban delegation at UNESCO's Second International Conference on Cultural Policies, which will close this Friday following 2 weeks of discussions, summed up this conference attended by 120 delegations of countries and international organizations.

Hart's statements were made at the foreign correspondents' club. He began by indicating those areas where the feeling of identity by a wide majority, in line with the speeches of the delegations, was observed:

- 1. In the defense of the national and cultural legacy against penetration by the major multinational corporations under the control of the United States.
- 2. In the defense of the cultural identity of the Palestinian people against Israel's aggression and in the defense of African countries against apartheid.
- 3. In the notion of culture as a complement to economic and social development and the relationship of culture with the identity of peoples.
- 4. In the attraction of peace in the face of the arms race.
- 5. In the extension of cultural democracy and the securing of guaranties for broader international cooperation cutting across political and administrative straitjackets in the interest of culture.
- 6. In the restoration of the cultural legacy of those peoples who were plundered.

Hart observed that in practice all these principles "run into the opposition of minority, but that this is nevertheless a powerful minority."

He noted that this opposition, observed both at UNESCO and in the United Nations, evidences one fact: "The agreements of the majority are vetoed by this minority."

In the case of this conference, he added, there was much talk of the consensus that it had to reach—an intelligent approach, adequate in a divided world such as that existing today—"but one must already begin to wonder," he explained, "whether the consensus cannot be converted into an obstacle for the majority."

"This is the dilemma of the present conference," he summed up, "and perhaps it will not be solved. It is not convenient for the United States to have a dialogue, an open discussion, but here it becomes obvious which are the democratic countries and which are the antidemocratic countries like the United States."

A newsman asked Armando Hart what was his opinion of the assertion by the United States delegation that "it was a shame that there should be talk of politics at a cultural conference."

Hart answered that he did not know how one can participate in a conference on "cultural policies" without talking of culture and politics.

"Politics is different from culture but these two are nevertheless intimately intertwined," he said, "and furthermore this is a conference of ministers who reflect the policies of their respective countries."

Hart added: "We are very proud of our politics. The American delegate says that it is a shame to talk of politics because to say the least he is ashamed that his country's policies should become known. At any rate, to wish to segregate culture from politics is antidemocratic," he added.

The head of the Cuban delegation referred extensively to the proposals made at this conference by the French minister of culture, Jacques Lang, principally about the need to undertake an "international crusade against the financial and cultural imperialism" of the United States.

Hart said that this declaration has the support of a wide majority and that Cuba "is involved in this crusade, whether it is approved or not at this conference." He added that the essential aspect of France's present cultural policy is its rapprochement with the so-called Third World.

"If the developed countries take the path of France in the cultural field," he noted, "they will find many friends in the Third World given that culture is projected worldwide and developing countries enrich the culture of developed countries."

In this respect Hart added that the developed countries must seek "a relationship of a new type" with developing countries to enrich their own culture and universal culture.

"I believe that there are many Jacques Langs in the developed countries," he went on to say, "but official conservative doctrines still continue to prevail."

On responding to the question of what could be the antithesis of the proposals of the French minister of culture, Hart answered: The declaration in Santa Fe made during Ronald Reagan's presidential campaign, a neoconservative set of doctrines which was put into practice by the present United States administration, "a policy of force which is not realistic but jeopardizes the destiny of the whole of humanity."

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COUNTRY SECTION CUBA

# TRADE TALKS WITH ARGENTINA NOTED

Havana GRANMA in Spanish 30 Jul 82 p 5

[Text] Buenos Aires, 29 Jul (PL)--A Cuban trade mission is analyzing here together with the Argentine authorities the development of trade, the possibility of industrial complementariness, and cooperative production by the two countries.

The Cuban delegation is headed by the deputy minister of foreign trade, Amadeo Blanco, and consists of the directors of commercial policy, of the National Bank, and of economic cooperation—Arnoldo Rodriguez, Raul Fernandez, and Roberto Rivas, respectively—in addition to the president of ALIMPORT [Cuban Enterprise for Import of Foodstuffs], Badih Saker Saker.

Yesterday the Cuban representatives held working meetings with the Argentine undersecretary of foreign trade, Jorge Caminotti, and paid a courtesy call on the secretary of commerce, Alberto Fraguio. Today they met with the head of the Central Bank, Domingo Cavallo.

Among the subjects discussed was the appropriateness of holding the group's second working meeting on trade next September in Buenos Aires. The first meeting was held in Havana in 1979.

The Cuban representatives expressed their interest in more sales of Cuban products (minerals, tobacco, rum, and manufactured items) in the Argentine market as well as in the purchase of Argentine agricultural and livestock commodities.

In the last few days there was evidence of high interest among Argentine industrialists in the various sectors in developing contacts with the Cuban mission, and the possibilities of visits to Havana by delegations of Argentine industrialists were discussed.

Interest to Argentina of the Latin American Economic System (SELA), initiated its decision to cooperate in every possible way with Argentina in light of the coercive economic measures taken by the capitalist industrialized countries against Buenos Aires.

The Suban mission also expressed its decision to analyze jointly with Argentina aspects of industrial complementariness and cooperative production by the two countries.

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COUNTRY SECTION CUBA

COMMENTATOR LOOKS AT U.S. POLITICAL SCENE

Havana VERDE OLIVO in Spanish 29 Jul 82 pp 20-21

[Commentary by Juana Carrasco]

[Text] The Democratic Party of the United States held its Convention in Philadelphia during the final days of June. According to observers, the convention was characterized by unity, an element that has been missing from that organization's conclaves for some time.

Of course, next November's legislative elections, in the immediate future, and the 1984 presidential elections, in the long term, are the reasons for this harmonious effort to try to remove the Republicans from the senatorial majority won in 1980 and from the White House, now occupied by Ronald Reagan. So the international, economic, social and labor resolutions approved by the 897 delegates in attendance resulted in a clearly liberal platform, and were in open political confrontation with the government measures taken by the Republicans. The 109-page document, entitled "Goals and Principles of the Democratic Party," flatly rejects Reagan's social and economic policy, favors a freeze on American and Soviet nuclear arsenals and advocates entering immediate negotiations on the control of this type of weapon.

Another international theme discussed in Philadelphia was the reestablishment of Lebanese sovereignty and the security of Israel, in a perfect example of ambiguity on the Middle East problem.

With regard to domestic matters, the Democrats came out in favor of the limitation of the tax reductions projected by Reagan for 1983 which, if approved by Congress, would be especially favorable to multimillionaires and their corporations. They also supported a program to create 500,000 new jobs, at a cost of \$7.5 million dollars, which is totally contrary to the Republican decision to cut the social budget.

The Democratic Convention came out in favor of an equitable combination of cuts in expenditures and tax increases and approved the creation of a tax system which would increase the contributions that must be paid by wealthier individuals. They also demanded the elimination of all laws and regulations which

discriminate for reasons of race, creed, color, national origin, sex, age, language, physical handicap or sexual orientation, in a reaffirmation of the so-called human rights so strongly defended by the democratic Carter administration. From all this one can deduce that the Democrats are interested in appearing to be the sensible element in the government's politics and in opening a breach between their position and that put into practice by the Republican government, bearing in mind that the House of Representatives in its entirety and one-third of the Senate is up for reelection in November. This is why both parties are looking for the necessary votes to exercise supremacy and consolidate a prospective foundation for November, 1984.

The problems brought to discussion by the Democratic Convention are the same ones which really concern the great majority of Americans, or at least a goodly number of them.

For example, the unemployment rate admitted by the Department of Labor for the month of June was 9.5 percent, with a total of 10.4 million unemployed and 1.5 million in the category described by the government as "discouraged workers," that is, those who have ceased to look for jobs because of the limited labor market; this figure is a record.

Demonstrations against President Reagan's economic policies, which have taken place in the streets of many cities in the United States, including Washington, the capital, are well known. One of the latest opinion surveys, taken by the LOS ANGELES TIMES, indicates that 50 percent of the American people think the economic situation worsened in 1982 and that the country is going through a depression characterized by the drastic increase in unemployment, high interest rates on bank loans and inflation rates which are rising, and not falling, as the White House asserts.

All this will have its repercussions on the voting in November, although one cannot clearly state in what way. Let us remember that the surveys also indicated that neither of the parties—Republican or Democrat—is capable of solving the United State's economic problems.

There are population groups which are especially affected by the policies of both parties, for example the blacks, whose votes are considered decisive in November. According to the EFE agency, "Black leaders claim they have been abandoned and say that Democrats take their support for granted without doing anything to deserve it, while Republicans ignore them openly and do not take any interest in their problems."

The E.E commentary adds: "Reagan's economic and social programs have 'radi-calized' the blacks in the United States, but paradoxically this has not increased their affection for the Democratic Party, which has been traditionally considered the defender of their interests."

One absolute fact must be analyzed: Unemployment among blacks is 18.7 percent and their incomes are practically half of those of whites. A similar picture is presented of the Spanish-speaking population, where the unemployment rate is 13.5 percent and there is also talk of political mobilization to make their voices heard in November. They are also suffering much hardship as a result of the budget reductions and the impact of a recessive economy.

In addition, the international problem is bringing no less important factors to bear on the electoral process. We have already mentioned the moderate attitude adopted by the Democrats in their platform, particularly with respect to one of the greatest day-to-day concerns of the ordinary citizen: the absence of an agreement on the control of weapons and the irresponsible statements of the Reagan administration about the possibility of a "limited" nuclear war. TIME magazine admitted recently that this is one of the chief causes for worry in the country, and it is calculated that 70 percent of the people of the United States support a nuclear arms freeze.

From all this we suppose that the Democrats have carried out an intelligent campaign in this regard, bearing in mind that the movement against the nuclear menace and militarism rule the political life of the country; so this is a "storm" the Republicans will have to ride out.

The day before Reagan's speech before the UN Assembly on Disarmament, Democratic Senator Edward Kennedy called a press conference in one of the rooms of the world forum's building in New York, which was attended by a large number of people. Kennedy said that the only way the United States and the USSR have to halt nuclear proliferation is the "nuclear freeze"; and at the Democratic Convention in Philadelphia the senator from Massachusetts received a long final ovation, after being interrupted 40 times by applause, when he expressed, at the closing ceremonies, with force and conviction, the sentiments formulated by the democratic delegates: total rejection of the Reagan policy of "hear nothing, see nothing and do nothing."

Criticizing Reagan's assertion that the United States must continue to strengthen itself in order to force a future reduction in weapons, Kennedy argued: "This is a magical arms control, which says that one must have more in order to have less."

The speech by Kennedy, who will run again in the November elections and of whom it is said—without official confirmation—that the committee which will support his campaign for the U.S. presidency has already been formed, made the speeches by the party's other five candidates for the 1984 election—including former vice president Walter Mondale—seem pale by comparison.

Increasing antinuclear feeling, which began at the grass roots, has become a potential factor in determining U.S. policy. This is not an obstacle to the

Republicans, and even Reagan has said he seeks peace. In his own way, obviously, The Republicans have not been idle, and recently after his stormy European trip in June the president attended a banquet in Houston, the purpose of which was to raise funds and seek support for the reelection of William Clements, the Republican governor of Texas.

There the chief executive gave a speech in which he strongly defended his budget, saying that it would soon have a positive effect on the nation's economy; however, he indicated that more budget cuts will be necessary. Mentioning his European tour, he said that that trip had strengthened his belief that the defense budget cannot be cut under any pretext, "especially if this country expects to continue to be the bulwark of democracy in the world," thus revealing once again that hegemonic superiority which characterizes Yankee power.

Another aspect to bear in mind in the present situation is the deep concern and reservations which many U.S. congressmen have with regard to the Reagan proposal to send troops to Lebanon, since the ghost of Vietnam is still present in the mind of the nation as a whole, and the congressmen feel that this preelectoral period is not a propitious time to support plans which may not please their constituents.

There is also another element which apparently is a part of one electoral campaign. There is no doubt that the revelation of a sex and drug scandal involving 9 or 10 members of the House of Representatives and at least one senator has something to do with the tricks and schemes of the U.S. election system.

This is not the first time it has been said that "sodomy and drugs" constitute a legal and readily available currency in the Capitol precincts, and now, just by chance, it is "discovered" that homosexual relationships exist between some congressmen and youths of 16 to 18 years of age who work as pages in the Congress.

The FBI, by order of the Department of Justice, opened an investigation, but it is evident that [the Congress] would like to bury the matter, since the Republican Senate majority leader, Howard Baker; a spokesman for the Ethics Committee of the House of Representatives and a Department of Justice official have informed the press that the FBI has found no proof to support the accusations made by two former messengers who had worked for the Congress, even though one of them stuck to his accusation and asserted that homosexuality is an "open secret" in that legislative body.

It appears that with the election so close, both Republicans and Democrats have reached a "gentlemen's agreement" not to wash their intimate dirty laundry in public. Since no names have been made public as yet, it may be that homosexuality and drugs are bipartisan, and that they are negotiating with each other to sweep the accusations under the rug.

With the congressional elections in November, the attention given by both Republicans and Democrats to the major problems in their areas will affect the results at the polls. For this reason they are treading very gingerly and the broadsides are being fired back and forth between the political trenches during these few months, although when the autumn "match" is over, it will again be necessary to discuss what conservative ideologist and publicist Robert Ringer described, without pulling any punches, in his book, "Restoring the American Dream."

"Actually, a single party system exists in the United States: the 'Demopublican' party (Democrat and Republican), disguised as a two-party system. No matter for whom you vote, you are voting for the 'Demopublican Party.' Speaking plainly, and without political overtones, the so-called two-party system in this country is a joke and a fraud. When the single party in the United States feels threatened, it does not hesitate to show its totalitarian instincts... By hiding behind the lie of 'government by the majority,' this party avoids the horrors, costs and uncertainty which accompany the use of violence to keep the people within bounds."

"Demopublicanism" really exists, but there are two types: conservative and realist. It is important that the first tendency or view of the world, which responds to a decrepit, obsolete era, not continue to impose its superior will.

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COUNTRY SECTION CUBA

ORGANIZATION, DEVELOPMENT OF CIVIL DEFENSE EXPLAINED

Havana VERDI OLIVO in Spanish 29 Jul 82 pp 8-10

[Interview with Brig Gen Juan Fscalona Reguera member of the Party Central Committee and FAR vice minister for civil defense by Frank Aguero Gomez; date and place not specified].

[Text] Civil Defense celebrates its 20th anniversary on the last day of historic July.

Over the 20 years of its existence, the work it has done during natural disasters and to constantly protect human and material resources has helped to forge the image of respect and pride which our people feel toward this institution.

Charged with carrying out a system of defensive measures designed to protect the national economy and population during emergency situations, the work of Civil Defense has the cooperation of the FAR, MININT [Interior Ministry] and state organizations and the active participation of the organized masses.

To learn more about how such work is developing, we interviewed Brig Gen Juan Escalona Reguera, member of the Party Central Committee and FAR Vice Minister for Civil Defense.

[Question] Comrade general, we would like you to tell us of the events that led to the creation of Civil Defense on 31 July 1962.

[Answer] The acts of aggression by U.S. imperialism started from the moment of triumph of the revolution. First they tried to destroy our economy, including sugarcane fields and factories, and then they turned to the most diverse forms of armed aggression. This situation culminated with the mercenary attack on Playa Giron and the October crisis. Consequently, our people were trained for defense, the powerful Revolutionary Armed Forces, of which we are proud, were created and the National Revolutionary Militia was organized.

Amid this situation of threats and acts of aggression, the party and the government decided to create the Civil Defense in July 1962 to strengthen the country's defensive capability. At first, it was called People's Defense.

In addition to the measures designed to protect the population and the economy in case of aggression, this organization had battalions and companies of militiamen who, along with the FAR and MININT, defended our cities.

Today, the Civil Definise of the Republic of Cuba, as established by Law 1316, represents a system of defensive measures at the state level to be carried out in time of peace and in a war situation to protect the population and the national economy.

[Question] In what important activities has the Civil Defense been involved over the 20 years since its creation?

[Answer] Important tasks have been performed over these years jointly with the FAR and MININT.

One of the principal ones was the organization and training of militia units in the cities, districts, blocks and at economic targets. This task was completed without neglecting the protection and vigilance of industries and workplaces.

The prevention of and struggle against natural disasters has been a fundamental aspect of our work. Over all these years, thousands of people have been evacuated from dangerous places during floods. They were provided food, medical care, clothing and other services free of charge and were taken care of by the members or our Federation of Cuban Women and Central Organization of Cuban Trade Unions (CDR). This work has helped to save many lives.

Scores of exercises and training sessions are conducted each year at work-places, municipalities, provinces, at the national level and in the organizations, with the participation of chiefs, management cadres and the population. These activities have contributed to the training on measures that must be implemented in time of war.

Mobilization operations for the economy, called in those years "Operation Mambi," were conducted through the Civil Defense organization and structure.

More recently, when our country was severely affected by the hemorrhagic dengue epidemic disease last year, the civil defense was used to organize the management and control measures ordered by the government to eradicate the carrier of this disease.

[Question] We know that this organization plays a valuabel role when the country is affected by hurricanes and other weather phenomena. How are civil defense forces and equipment mobilized when such a situation arises?

[Answer] The geographical location of our country places it in a zone where trop'cal storms develop and pass every year. We also are affected by spring rains which, as hurricanes do, cause serious flooding and can cause human and material losses. An example of this was what happened this past June in the western part of the country.

During the hurricane season, which runs from 1 June to 15 November, civil defense chiefs and their general staffs keep up with the situation through bulletins or reports issued by the Institute of Meteorology and through information issued in this regard by the National Civil Defense General Staff.

The following antihurricane conditions are used to conduct a rational and opportune mobilization of the forces and equipment made available within the civil defense system to cope with such situations:

- a) Information Phase
- b) Hurricane Alert Phase
- c) Hurricane Emergency Phase
- d) Recovery Phase

The information phase is called when the Institute of Meteorology reports the development of a storm and, based on its characteristics, its possible approach to any part of the country within 72 hours.

The hurricane alert phase is called when the storm's characteristics indicate that it could threaten any part of the national territory within 48 hours. Antihurricane command posts are activated when this phase is called and planned measures begin to be implemented.

The hurricane emergency phase is established when the storm represents a threat to any part of the country within 24 hours, in other words, its passage over the country is imminent.

Impelmentation of evacuation and protection measures is speeded up under this phase. Likewise, the mobilization of forces and equipment called for in the plans is completed and the civil defense system is placed in total readiness.

Once the storm has passed and there is no possibility that it will continue to affect the national territory, the recovery phase is established. Its duration depends on the effects of the hurricane.

That is how the civil defense system is mobilized and placed in readiness to manage and control the actions called for in antihurricane plans.

[Question] It would be interesting if you explain to us how civil defense is organized and how it has acquired the capability and cohesiveness necessary to perform its established tasks?

[Answer] Modern war is a very complex social phenomenon in which various types of struggle are employed: armed, political, diplomatic, scientific-technical, and others.

Naturally, armed struggle is the decisive one because the country's principal forces are involved. At the same time, war raises a number of problems that cannot be resolved by armed struggle alone. I refer to protection of the population, making certain that the branches of the national economy work

without interruption, rescue work, urgently repairing damage and reestablishing command. Such problems must be resolved by all organizations of the Central State Administration, mass organizations and the people in general.

Civil defense plays a principal role in the solution to the aforementioned problems. To this end, its udes technical research, expands experiences gained and employs the advances of science and technology. Civil defense theory is an essential part of military science. In itself, it represents a system of scientifically proven knowledge of the methods and means to protect the country's human and material resources and of procedures to assure the vitality of the economy in time of war.

It was precisely based on these viewpoints that civil defense was organized as an essential part and important link of the single system of defensive measures of the socialist state. The close relationship between the measures to be taken and the country's level of development—not only economic but also technical, cultural, political and other development—has to be kept in mind when organizing civil defense.

Now then, the civil defense system is organized throughout the country and its activities are sustained by the rational use of the human and material resources of the state, as well as by the people's organized forces.

The president of the Council of Ministers is the head of civil defense through the FAR minister, whose orders on civil defense are of mandatory compliance by all organizations of the Central State Administration and by civil defense chiefs.

The presidents of executive committees of provincial and municipal people's government organs are the civil defense chiefs at their levels.

To manage and control activities in the provinces and municipalities, general staffs have been created as command organs under the chiefs of government at those levels.

The civil defense directorate in organizations of the Central State Administration and its agencies is headed by their respective president or minister, and by the delegates or directors of such organizations at the provincial and municipal levels.

The civil defense chiefs at production and service centers, schools and other technical-administrative institutions are their directors and administrators, who also have general staffs.

Regarding the capability and cohesiveness to tackle the tasks established by our party and government, it must be said that we still have deficiencies. In some cases, these deficiencies make it difficult to carry out missions more swiftly. However, the members of our general staffs continuously are improving their training and knowledge, either through courses or exercises and training set forth in operation orders for each training year. The civil

defense chiefs in provinces and municipalities and the heads of organizations, services and national economic facilities also undergo training.

[Question] How are the people being trained now to perform the missions assigned to civil defense to protect the population in case of armed aggresion?

[Answer] One of our most important missions is to instruct the people on actions to be taken and standards of conduct to be observed under the various conditions of a state of war.

First of all, this is a complex task because it is a massive one. A serious effort still is required from our general staffs to train all the people to confront, resist and defeat the imperialist enemy, to teach every citizen self-defense and what to do when an evacuation order is given or when an air raid signal is heard or during an attack, regardless of where he may be.

Study clubs are being developed to achieve these objectives with the valuable participation of the CDR and ANAP [National Association of Small Farmers]. In addition, a propaganda and dissemination plan on civil defense instructions to the people is conducted each year. This activity is led and controlled by the committees for instructing the people, which have been organized in the provinces and municipalities under the direction of the party.

Exercises to instruct the people is one way of training them, and we started such exercises just 2 years ago. Protection procedures and standards of conduct to be observed when an air raid signal is given are taught during these exercises. We now plan to improve and enhance these exercises, which undoubtedly will make a positive contribution toward improving the training of the people.

[Question] What territorial experiences of Central State Administration organizations and of workplaces would you highlight as the most beneficial to be applied throughout the country?

[Arswer] We gain experiences frequently and they help us to make a specific plan more objective and to establish guidelines for the rest of the country. Just to mention some examples, let us say that there have been very positive results from organizing the system to alert the people into a centralized one. it makes it possible for the alert signal to be heard immediately.

Evacuation of people is one of the most complex tasks because many factors are involved requiring adequate and objective coordination. In this regard, experiences have been gained from exercises and training sessions which are under style so as to generalize their results.

Competition between medical aid brigades is another of the activities that have been conducted and well received. The successes of such competition have helped to enhance such events and to conduct them throughout the country with satisfactory results.

Regarding experiences in state organizations, we can highlight the ones gained by the Agriculture Ministry from the application of plant and livestock protection measures; and others similarly gained by the Sugar Industry Ministry from the organization of protective measures at sugarcane enterprises and sugar mills. The Food Industry Ministry also has had very positive experiences from training its workers while conducting a broad propaganda and dissemination program.

[Question] Lastly, comrade general, we should like that you discuss cooperation between civil defense and the other armed institutions and cooperation with counterpart organizations of the socialist community.

[Answer] As we already have said, the principal role of civil defense is protection of the population and of the economy against the modern destruction means and natural disasters. All the actions required to fulfill this task necessarily must be coordinated with the FAR, MININT and MGR [Revolutionary Navy]. The drafting of defense and protection plans requires careful planning to determine objectively what forces and equipment will be employed and when.

Regarding the second part of the question, the organization, structure and functions of the Civil Defense of the Republic of Cuba are based on the principal experiences of socialist countries, particularly of the fraternal Soviet Union, where many of our officers have received and still receive their training.

At all times we have counted on the solidary assistance and advise of the fraternal Soviet people to improve our work and to fulfill the civil defense tasks established by the party and government leadership.

[Question] Would you like to say anything else?

[Answer] Yes. On this 20th anniversary of the civil defense, I want to extend warm greetings to all the mass agencies and organizations, to the chiefs and general staffs and to all the members of our institution for the dedication and interest they have demonstrated in performing the missions which the party and state have entrusted to us.

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COUNTRY SECTION CUBA

MILITARY MEDICINE HIGHER INSTITUTE ACTIVITIES NOTED

Havana VERDE OLIVO in Spanish 29 Jul 82 pp 44-46

[Article by Elsa Blaquier]

[Text] The Higher Institute of Military Medicine looks like a hardworking beehive. Its organization, cleanliness and courteous manner of its highly qualified personnel can be seen everywhere. This degree of service was not achieved overnight by one man. It is the result of work that started 2 decades ago with the founding of the Luis Diaz Soto Central Military Hospital and of the desire of a group of people aware of their valuable and humanitarian mission.

The institute was changed in October 1980 to a scientific institution of higher education because it was necessary to raise qualitatively the capability of its military medical cadres in order to keep up with the scientific-technical development taking place throughout the country.

The Council of Ministers Executive Committee last year granted this institution the authority to continue to develop its higher education plans.

Among the first objectives set forth for the institute was its assumption of responsibility for the training in this country of military medical specialists on ground troops, epidemiology and military hygiene. General and field surgery, internal and field medicine and medical supply were added later.

In recent months it was assigned a new function: training of medical students starting with the third year of this profession. These undergraduate plans will start in the next school year and have been enthusiastically received by university students.

Juan Luis Vidal Ramos, a medical services colonel and the institute's director, talked to us about future teaching plans. He noted that the experience gained from the courses conducted to develop specialists and midlevel technicians has been highly useful for these plans.

"Today we have a large number of comrades with various teaching and scientific qualifications who will be responsible for teaching the future medical cadets. We also have had exchanges with the Kirov Academy of Leningrad and Bulgarian medical services, and we are advised by Soviet specialists."

More than 10 high level specialists currently are working at the institute following the recent arrival of four comrades who earned the classification of candidate to doctor in science after brilliantly defending their thesis.

The institute also has been concerned about improving its nursing personnel. A group has been sent to take intensive therapy training courses and a large group will start studies toward a nursing degree in the next term.

# Quality Replacements

When the new medical cadets come to the classrooms or start their physical training at the facility built for this purpose, the days of intensive work now being done at the institute will have been left behind. Such intensive work is for the purpose of fulfilling in record time all the necessary requirements to start the course and materialize the guidelines set forth by the commander in chief so as to turn Cuba into a medical power.

The FAR proposes to develop military doctors who, along with the basic medical education they have received in the country's other universities will possess thorough knowledge of the social sciences and will have, through tactical and rearguard training courses, the military training necessary to raise the effectiveness of their work in the units.

Modesto Pinon Hernandez, a medical services lieutenant colonel and chief of the training section, referred to the work currently being done at the institute. He emphasized the great support received from the Public Health Ministry, the General Maximo Gomez FAR Academy, and the Comandante Camilo Cienfuegos FAR Artillery School.

Lieutenant Colonel Pinon explained that more than 50 course plans have been completed covering undergraduate studies and several medical-military and purely medical specialties, as well as advance courses designed to teach the latest advances in medical science.

"The task undertaken," he stressed, "can be termed as difficult. An effort from everyone was required to prepare more than 700 programs an advanced subjects. They were completed at an accelerated pace but with an in-depth analysis of their preparation, hours of classes and construction of class-rooms and other installationss"

"We want the graduates of our institution to have the best preparation so that they can perform their mission of caring for the health of military personne? efficiently and in this way raise the FAR combat readiness."

## Superior Care

Logically, teaching is not the institute's only work. There are other fundamental lines of work such as preventive, treatment, research, and those related to rehabilitation of patients.

Medical care is the institute's strong point. Although the constant development preclueds saying that the optimum level has been reached, it is possible to highlight the noteworthy lear made in this field.

Medical education is precisely one of the factors that have influenced this progress in medical care. As explained by Eloy Frias Mendez, a medical services lieutenant colonel and the institute's deputy director for medical care, the specialists with the high responsibility of teaching, also constantly study all branches of medicine.

"This required," he said, "the development of certain highly important specialities. An example is cardiovascular surgery, where already there is broad experience in the so-called close or open heart system, using an extracorporeal machine which maintains circulation while the surgeon eliminates the problem affecting the patient's heart."

Other branches that were given a big push over this period are gastroenterology, the burn and reconstructive surgery specialties, nephrology and intensive therapy.

"Contacts with the Institute of Nephrology currently are being intensified to cope more effectively with kidney transplants and to see that our people's humanitarian gesture of donating their vital organs in case of sudden death results in the medical success of saving more lives."

Medical education and care have been favorably influenced by the modern equipment received at the institute. A large part of this new equipment is used for diagnosis. Gammagraphy, echography, and ergometric tests will help to establish the causes of diseases more quickly. A renograph soon will be installed which will expand the information obtained on patients with kidney disease and transplants.

So far as research is concerned, the institute already has had some successes on the studies related to the Intercosmos Program, This will help medical practice and the development of space medicine. A fundamental factor in research work is its interrelationship with medical care. Subjects currently being covered include "infections in surgery patients," and others concerning diseases and aspects of living conditions that may affect the combat training and readiness of troops and general staffs. These subjects are covered multifariously at the institute's various courses and clinics.

Surgery is another specialty in which personnel are trained. In this way, the abilities of the specialists are broadened while studying more effective surgical mechods on animals.

The interrelationship between medical training and treatment is reflected in services rendered. Operations, especially major surgery, practically have doubled.

For example, so far this year from January to May, there have been 1.727 major and 534 minor surgery cases. Outpatient cases amounted to 54,626 and the emergency room staff treated 68,235 adults and 14,906 children.

There are new and vast prospects for the Higher Institute of Military Medicine as a result of the multifarious activity of the FAR and of the concern of our party and government about maintaining the health of the personnel who have the high responsibility of defending the socialist homeland.

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COUNTRY SECTION HONDURAS

## NEW TAX MEASURES TO IMPROVE ECONOMIC SITUATION

San Pedro Sula LA PRENSA in Spanish 29 Jul 82 p 3

[Text] Tegucigalpa--The national treasury is trying to obtain approximately 50 million lempiras during the last five months of the year, with a new project of increases in selective consumer taxes.

The foregoing was announced yesterday at a press conference by the minister of finance and public cred't, Arturo Corleto, and by the Secretary of CONSUPLANE (Superior Council on Economic Planning), Luis Flores Rodriguez.

The official indicated that these measures have been adopted for the sole purpose of obtaining additional resources so that the development projects now in progress will not be paralyzed, because without them the country's economy would deteriorate and also the debt could not be readjusted to maintain the level of international credits.

He cited that the international organizations, such as the International Monetary Fund, in exchange for collaborating with the Honduran Government are requiring two conditions: one, that an attempt be made to close the fiscal gap over a period of 18 months, and the other, that for 18 months an equilibrium should be sought in the balance of payments.

Likewise, he indicated that in order to reach an agreement with the Monetary Fund, fiscal income must be increased and measures must be taken to cut public spending and to improve tax administration.

If these alternatives requested by the IMF are fulfilled, they will allow the amount of 300 million lempiras to be approved for Honduras during 1982-83, of which 180 million lempiras would be designated for the Central Bank to take care of routine foreign exchange demands.

The head of finance also made clear that these tax increases do not include the basic commodities such as food for children, medicines and others, as has been interpreted, but rather they are for articles considered as luxury, such as tourist vehicles, jewelry, perfumes, air travel, color televisions, alcoholic beverages, games and countless other items.

He added as well that with the increase of these taxes, not only will the national deficit improve, but it will also improve tax administration, the refinancing of the debt of major autonomous entities, and cutting of public spending.

For his part, the head of CONSUPLANE, in addition to referring to the tax measures adopted by the Honduran Government, also mentioned the immediate plan of action which the authorities will enact to revitalize the national economy.

He pointed out that the priority program to be carried out will be the production apparatus for producing basic grains and to increase their marketing.

Another prime project of the Honduran Government is that of generating employment, since at present, the unemployment figures for the country are alarming.

Finally, the official said that with all of these measures that the national authorities have begun to take, the economic situation in Honduras will gradually begin to emerge from the budget deficit that now is at more than 1 billion dollars.

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COUNTRY SECTION HONDURAS

#### BRIEFS

AGRARIAN REFORM PROGRAM—Dagoberto Sandoval, regional director of the National Agrarian Institute (INA) in San Pedro Sula, assured that he will not allow more invasions of lands and that he will apply the Agrarian Reform Law to its utmost to avoid them. "Nor will we permit any disrespect for private property, especially those cultivated estates and those which are fulfilling their social function," he added. He said that during the following months more than 1,000 manzanas of land would be turned over in the Cuyamel, Cortes sector. Sandoval held that they are dealing with requests from the peasant groups "without pressure and exercising a real policy outlined by the government." He emphasized that they will not permit any more invasions of farm lands, nor would they abandon the rural worker, "because our duty is not only to give them land, but technical assistance as well." [Text] [Tegucigalpa LA TRIBUNA in Spanish 27 Jul 82 p 35] 9730

LESS SUGAR EXPORTS--Around 400,000 quintals of Honduran sugar will not be placed on the international market due to the reduction of the export quota, reported Marco Antonio Aguero, bank manager of the National Agricultural Development Bank (BANADESA). The former is due to the increase in the world level of sugar taken from corn, currently used by several companies, as well as to a psychological campaign against sugar extracted from cane. To cope with the situation, the government of the republic has named a commission from the Superior Council for Economic Planning (CONSUPLANE), which is analyzing a long range policy on the matter. BANADESA has also drawn up a short term plan which consists of reducing the expansion of areas of production, recommending the use of other crops such as sesame seed, cotton and the basic grains. This financial organization will deal solely with those areas that are planted with cane, in order to assure employment for several peasant families which will be in charge of cultivation of these areas. [Text] [Tegucigalpa LA TRIBUNA in Spanish 28 Jul 82 p 34] 9730

CGT SUPPORTS DEMOCRATIC PROCESS--The Ceneral Worker's Federation (CGT) yester-day made it clear that it is not part of the Popular Unity Front, as was mentioned in a paid announcement made public through a San Pedro newspaper. The ideologic and political position of the CGT is clear and well disseminated, emphasized Oscar Escalante, adjunct secretary general, "since it advocates the achievement of a realistic democracy until true democracy can be attained,

which consists of achieving all the aspirations of the vast majority of society." In this sense, he said, "the CGT feels that we must support the democratic process being carried out in any developing country." Besides, "the CGT judges, observing the political situation in Central America, that it is necessary to act as Hondurans," added Escalante. He repeated that the labor federation maintains its firm critical position in light of the actions of the Republic's government, and one of solidarity with those bordering Honduras and with the great majority of the country. Concluded Escalante, "The CGT asks those people using our name not to continue to do so, since as a federation of advanced and loyal representation of the interests of the workers, peasants and citizens, it must serve as the orienter of the people and of all the workers of Honduras." [Text] [Tegucigalpa LA TRIBUNA in Spanish 28 Jul 82 p 39] 9730

UNEMPLOYMENT FIGURES -- The vice minister of labor and social security, Geovanni Martinez, reported that during the first half of this year private enterprise has suspended 12,700 workers, which has worsened the unemployment crisis in Honduras. The official said that the suspensions were requested of the Labor Ministry by 26 enterprises, and that they were approved because the reasons on which they were based had justification. He indicated that the labor authorities are extremely concerned about the unemployment situation, and that actions are being planned, along with the support of international organizations, to cope with this problem in order to seek the opening up of new sources of employment. "We are strengthening the General Office of Employment so that it may develop projects which will generate a greater number of jobs, so that each Honduran may be able to rely on a source of income as soon as possible," he affirmed. Martinez said that currently some 700,000 people are affected by job problems. Since they cannot depend on a definitive job which will assure them of permanent income to sustain their families, they live on underemployment. He stated, "there are also some 150,000 who are absolutely without work, which is worrisome for the present democratic government, given that the situation these fellow countrymen are enduring is truly deplorable." He added that the projects that the government is developing have as their prime end the generation of employment for those people who have no source of income, a problem that they hope to resolve through the enactment of public and private investment projects. [Text ] [Tegucigalpa LA TRIBUNA in Spanish 26 Jul 82 p 3] 9703

GUERRILLA COMMAND AT FUNERAL—The Lorenzo Zelaya Command (one of the guerrilla fronts that operate in this country) attended the funeral service for Felix Martinez, former president of the Union of Workers of the National Autonomous University of Honduras, Sitraunah. The service was held in the university's auditorium. The guerrillas arrived wearing hoods over their heads, carrying blankets and holding placards that read: "Felix Martinez: Present" acting reverently toward the assassinated union leader, they made their characteristic revolutionary salute, raising their left fist and shouting: "Until victory, always." The guerrillas withdrew after making their unexpected appearance, while students, union leaders and Martinez' relatives recalled his virtues. Martinez was found stabbed to death in a village in the south. [Text] [PAO40041 Tegucigalpa LA TRIBUNA in Spanish 3 Sep 82 p 14]

FINANCIAL OFFICIAL'S STATEMENT--According to finance under secretary Rodolfo Matamoros, economic stability and job generation have been included in the national emergency plan and the government's medium-term program as priority issues. Referring to stability, he said efforts will be made "to reduce our fiscal deficit" and to manage it adequately. On the question of unemployment, Matamoros said that every effort will be made to reduce the unemployment rate through projects aimed at creating new jobs. He said that these guidelines have been given to both state secretariats and decentralized bodies. "Two matters are and will continue to be sources of concern during the rest of 1982 and 1983. We must try to implement short-term projects or complete medium-term projects in order to reduce unemployment, he added. We will also try to make the financial deficit manageable," that is to say, we will try to keep it manageable and obtain the necessary revenues to cover the current and capital expenditures with either ordinary revenues or loans." Matamoros said that an attempt will be made at least to reduce the unemployment rate with these measures. [Text] [PA280234 Tegucigalpa EL HERALDO in Spanish 26 Aug 82 p 3]

UNIVERSITY STUDENT PRESIDENT--Jorge Castro, candidate of the University United Democratic Front [Frente Unido Universitario Democratico--FUUD], was elected president of the Honduran Federation of University Students last night. [PA290133 Tegucigalpa LA TRIBUNA in Spanish 25 Aug 82 p 30 PA]

COUNTRY SECTION MEXICO

AMBASSADOR REACTS TO CHARGES BY 'PROCESO'

Mexico City PROCESO in Spanish 2 Aug 82 pp 22-23

[Article by José Reveles]

[Text] In a strongly worded telegram sent from Rome, Italy to PROCESO magazine, Ambassador Luis Weckmann Muñoz stated that he considers the information published in this journal a week ago (issue #299) to be libelous. He is guilty of inaccuracy in the object of his repudiation. We shall here cite the Secretariat of Foreign Relations' official documents that provided the basis for the information published.

Weckmann has "challenged" us to publish his telegram, which we have done below:

"Mr Editor: It is with indignation that I protest your periodical's libelous campaign against me after having described (a police scandal) a simple breakin at my United Nations apartment, a pretty common occurrence in New York. In your 26 July edition it is alleged that at that time I could not justify \$22,000 in (expenses for setting up) our embassy in Iran. I pointed out that, when I arrived in Teheran in 1976, the embassy had already been set up by an ad hoc chargé d'affaires. When I returned to Iran in 1979, I presented (as per instructions under the section heading) the then chief clerk of Foreign Relations, Mr Adrián Garza Plaza, \$22,000: a surplus from the funds used for the upkeep of that embassy while I was in charge, which, by the way, is proof of good management. I was given a corresponding receipt.

"Such unjustified and treacherous attacks force me to join those who think that your weekly, at one time read with interest and even with eagerness, has sunk to the level of a tabloid. I invoke the right to [freedom of] information and challenge you to publish this message.

"Sincerely, Ambassador Luis Weckmann Munoz."

It would seem that the current Mexican ambassador to Italy was sent an erroneous PROCESO text of that information, since it is never mentioned in that text that Weckmann "could not justify" the \$22,000, and it is not mentioned that such a thing took place when the Teheran embassy was set up in 1976.

The published text says the following in its allusive part:

"At the Teheran embassy, the SRE [Secretariat of Foreign Relations] discovered that former Ambassador Luis Weckmann Muñoz and advisor Carlos Villamil had misused over \$22,000. Said funds were part of the embassy's management expenses and were used for housefurnishings, that is, for moving furniture and other goods from Teheran abroad."

This expenditure was entered in the books in May, 1979, when Weckmann finished his commission as ambassador to Iran. It is not this magazine, but rather the general management of the Administration of the Secretariat of Foreign Relations who is talking about misuse of funds. A memo addressed to Undersecretary Alfonso de Rosenzweig-Diaz on 22 January, 1980 dealt with "...the investigation of the financial standing of our embassy in Teheran, Iran."

Part of that memo is transcribed below:

"In appendix 1 (Office Expenses) under the heading 'housefurnishings', \$22,078.12 are earmarked which are not commented on in the body of the analysis, but which I believe it important for you to know abou Out of the above amount, \$11,779.19 were paid out to Mr Weckmann and \$10,298.93 went to Mr Carlos Villamil Cicero to pay for his return home, without authorization from the Secretariat (underlining ours).

"These two expenditures were taken out of office expenses, a budget entry that should not have been used for such items, because taking funds away from house-furnishings and using them for an ambassador's homecoming is covered by Section 23, by means of a procedure carried out by the Office of the Chief Clerk (etc.)."

As we can see, there is no error whatsoever in the information published last week.

Something could perhaps be pointed out that was not mentioned before, because we now have documents at our disposal that we did not have previously. Those documents show that Ambassador Weckmann "invariably" ordered checks for embassy expenses cashed "on the black market," according to a summarized report issued by the SRE on 10 January, 1980.

In plain language, Weckmann used the black market to exchange dollars for rials in Iran.

When the chancery questioned Nohemi Hernandez, third secretary of the Teheran embassy. she confirmed the above, and to "save" the ambassador's honor, stated that Weckmann "took advantage of the difference between the black market exchange rate and the official exchange rate to purchase household items, which is why the financial statements were never prepared" (sic).

This unorthodox diplomatic custom was practiced by Miguel Angel Orozco, the chargé d'affaires who succeeded Weckmann, which is why he was required to replace the difference in dollars.

A handwritten marginal note on the memo, supposedly made by the undersecretary, exculpates Weckmann and Villamil because it only ordered an investigation of Orozco:

- -- "Confirm whether or not Orozco is responsible
- -- "Summon him to come in to see the Office of the Chief Clerk."

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COUNTRY SECTION MEXICO

### ILLEGAL PRICE RISES DESPITE CONTINUATION OF CONTROLS

10-55 Percent Jumps

Mexico City UNOMASUNO in Spanish 26 Aug 82 p 9

[Article by Victor Manuel Juarez]

[Text] Despite the additional extension of the decree to freeze the prices of basic foods that are widely consumed, which now expires on 31 December, in the past 7 days there have been increases ranging from 10 to 55 percent, according to the daily price index of the National Consumer Institute (INCO).

In addition, yesterday the Federal Consumer Protection Office, as well as that institute, announced that violations continue in the pricing of officially controlled basic commodities, such as eggs, pasteurized milk and sugar. These products have gone up 10 to 50 percent higher than the levels established by the Secretariat of Commerce (SECOM).

In another no less important development, both institutions reported yesterday that private secondary schools have created a critical situation by raising scholarships and registration fees. Furthermore, some arbitrarily demand payment in U.S. currency.

In the case of eggs alone (a product subject to official controls), there have been three price changes so far this year. In January they cost 32 pesos per kilogram, while the price was authorized to increase to 36.50 by June. Recently another rise to 44.50 was authorized, and 2 days ago the latest price of 48.50 was announced. Despite these adjustments, some merchants are selling them for up to 54 pesos. Commerce authorities explained that these increases responded to the need to reactivate this productive sector, and to the fact that the sorghum subsidy is being phased out gradually. The increases will continue until that product achieves its real price.

As for nationally produced pasteurized milk, the price authorized by Commerce authorities is 16.50 pesos per 1-liter carton. Demand for this product, however, has led to sales being contingent on the purchase of other items, and at that the price is up to 25 pesos, 50 percent more than the SECOM rate. The country is suffering a shortage in this sector, and depends to a large extent on imports. These imports, in turn, are obtained,

reprocessed and marketed by the Government Basic Commodities Company (CONA-SUPO). It offers moderate prices for the lower classes, but in insufficient quantities.

Sugar, another product subject to official controls in marketing as well as pricing, has been kept by strict vigilance at a set price of 12.50 pesos per kilogram. Despite the assertions of the directors of UNPASA and SECOM that there are sufficient quantities, there are shortages on the domestic market, and sales are also subject to conditions.

Another product that has suffered increases is table salt, which went from 7.40 pesos to 8.40 pesos for a 200-gram bag, while boxes containing the same amount rose from 8.40 to 10.40 pesos. This is absurd, because Mexico is the principal salt producing country, but for the past 3 years it has suffered chronic shortages of this product.

Furthermore, during the last week table cream in 250-gram containers has gone up from 30.20 to 55.50 pesos; instant coffee in 200-gram containers rose from 80 to 82.50 pesos; detergents climbed from 15.30 to 43.20 pesos for a 250-gram bag; and tuna in 198-g am cans went from 42.90 to 55.50 pesos. That is what has happened to some grocery items.

Perishable goods have undergone similar increases: a kilo of avocadoes that once sold for 68 pesos is now going for 74; beef, subject to SECOM price controls, went from 193 to 209 pesos, and in some cases is selling for up to 260 pesos; pork soared from 216 to 328 pesos per kilogram, a rise of more than 55 percent.

In general, very few products have not experienced price increases. Cured meats also underwent changes: a kilogram of ham rose from 291 to 369 pesos, while bacon climbed from 187 to 192 pesos.

The INCO price chart indicates that basic food items have risen gradually in price throughout the year at an average rate of 100 percent. Just to mention a few items, in January a kilo of eggs cost 32 pesos; yesterday the same kilo cost 50 pesos. At that same time a whole chicken sold for 54.90 pesos, and today it is worth 121 pesos. A kilo of beef went for 136 pesos back then; 209 pesos yesterday.

# Rural Situation Protested

Mexico City EL DIA in Spanish 26 Aug 82 p 2

[Text] Agrarian leaders yesterday spoke before representatives of the National Peasant Confederation (CNC), and demanded the immediate intervention of the Secretariat of Commerce to head off the price increases that merchants have imposed on basic commodities since the devaluation of our currency (last 18 February). These increases "at times have tripled prices, to the detriment of the rural economy."

Deputy Melquiades Morales, CNC secretary of agroindustry, and Rosa Maria Armendariz Munoz, coordinator of public hearings for that organization,

heard the complaints of about 100 farmworkers, and promised to demand that the competent authorities put a stop to abuses by merchants.

The peasant representatives, for their part, stated that the authorities are concerned only with protecting the economy of the residents of large cities; they have their inspectors concentrated there, even though the most impoverished sectors of the population live in the countryside, and there is no supervision there.

They reported that the day after SECOM authorized the increases in prices for basic goods, merchants in rural areas "not only doubled the prices of those items, but tripled them, especially in tiny settlements. So far, not a single inspector has come around to those places."

The inflation rate in this country is much worse in the rural areas than in the cities, "because there we don't have minimum wages, and what we consume is much more expensive even though we produce it ourselves."

"The merchants buy our products at whatever price they want, and then after processing or packaging them, they resell the goods with mark-ups of up to 50 percent," said the peasants to the CNC representatives.

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COUNTRY SECTION MEXICO

VELAZQUEZ: ECONOMIC SITUATION 'WORST EVER'

Mexico City UNOMASUNO in Spanish 16 Aug 82 p 2

[Article by Raul Terrazas]

[Text] Ciudad Victoria, Tamp, 15 Aug-- Fidel Velazquez, leader of the Confederation of Mexican Workers, CTM, pointed out that the current economic and financial situation is the worst Mexico has faced during its entire history. He said that "the wasteful entrepreneurs and not the government may be responsible for this."

He stressed that inflation "is a very frightening word" but it is a phenomenon which has always existed due to the rise in prices. He warned, however, that the workers "are not willing to give in to any threat or any enemy."

He said that the federal government is being blamed for the present conditions but in fact, "it is the least responsible. The culprit could be the enterprise sector or it could be all of us who are wasteful or are indifferent." Lopez Portillo "has endeavored to prevent these phenomena which are at present harming us. Now they thoughtlessly want to pass judgment on him alone for what is happening."

While speaking to the Second Regular Assembly of Tamaulipan Workers, the CTM leader said that the labor movement "will not be intimidated" by these financial and economic problems because it has its origins in the struggle against its exploiters and its enemies.

Fidel Velazquez admitted that these are the worst economic conditions Mexico has ever experienced. He pointed out, however, that the country can be saved "if we act calmly and with a sense of responsibility and if all Mexicans are united."

He then said that nobody had ever achieved as much growth as Lopez Portillo and "if anything saves Mexico it will be that at present all workers are occupied." He added that the current president "has acted decisively and

wisely" and that the steps he took recently were at the risk of his prestige so as to spare his successor from carrying this load at the beginning of his regime.

He then explained that the current economic problems cannot be solved within a medium time span; however, if the goals of the labor movement are achieved on the basis of revolutionary unity and if everybody resolves to face the problems, the time required for reaching the solution will be shortened.

He believes that the steps taken by the government are positive and said, "the CTM is not worried" because, he said, this labor confederation will lead a crusade to convince the people that above all there must be unity. This we will begin within the CTM.

Also, he explained, "we have experienced the best of it in Mexico. We live like the wealthy while we are poor. We will continue to be poor with aspirations of being rich provided that we struggle for our institutions and for the entire country." He ended by saying that Lopez Portillo "has shown that our nation is not subordinate to anyone."

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COUNTRY SECTION MEXICO

### BRIEFS

RURAL SHORTAGE OF LABORERS--Guadalajara, Jal. 29 Jul--Hilario Valenzuela Corrales, representative of the Secretariat of Agriculture and Water Resources, assured that the agriculture and livestock sector could provide jobs for the jobless of other areas of production. Mr Valenzuela stated the above when he reported that manpower is needed for harvesting tobacco, sugar cane, corn, and other agricultural products. He added that unemployed workers could find work in the fields, from which many workers migrated to the cities. The official said that it is incongruous that while manpower is needed for work on the farms, unemployed workers should prefer to remain in the cities, even though they do not have work. He reiterated that there is a variety of jobs in the fields: tractor driver, heavy machine operator, driver, cane cutter, and others.

[Text] [Mexico City EXCELSIOR 30 Jul 82] 9983

CORRIPIO REQUESTS TRANQUILITY, UNITY--Cardinal Ernesto Corripio Ahumada repeated yesterday, during the mass for the Assumption of the Virgin Mary, his call for Mexican unity. He again called for deliberation and urged that calm be maintained during these difficult moments and that rumors be disregarded. The primate said that there is no need to be afraid because of conditions, that the country has many resources of all kinds, that it has riches, such as man himself, to enable it to triumph. What we should do is to look for solutions so that together with the authorities we may solve the problems. We should trust our institutions and not seek structural changes by violent means, which are not the way to solve our problems. The situation is difficult but this does not mean that we are lost. He repeated that we should work together to overcome the crisis. [By Federico Ortiz Jr] [Text] [Mexico City EXCELSIOR in Spanish 16 Aug 82 pp 1-A, 14-A] 9204

ORTEGA, RAMIREZ, OTHERS ANSWER PEOPLES' QUESTIONS

PA011445 Managua Sistema Sa. Jinista Television Network in Spanish 0000 GMT 31 Aug 82

[Excerpts of "Face the People" program held at the Monsenor Lezcano neighborhood in Managua with Nicaraguan Government junta members Sergio Ramirez and Daniel Ortega, Managua Reconstruction Minister Samuel Santos, Deputy Education Minister (Pichardo) and Sandinist National Police Chief Walter Ferreti; no date given--recorded]

[Excerpts] [Unidentified speaker] We wish to greet the companeros from the Monsenor Lezcano neighborhood and from other neighborhoods who may have arrived tonight to accompany us in this "Face the People" program. We would like to tell them that we are happy to hold this program in this heroic neighborhood, which long served as a refuge for Sandinist combatants during the struggle against the dictatorship, and which actively participated in the final offensive against the Somozist dictatorship.

Various visits to our country have taken place in recent days. We have been visited by a very important delegation from the World Council of Churches. We have been visited by Monsignor Mendez Arceo, archbishop of Cuernavaca, Mexico. We have been visited by German writer Gunther Grass. Groups of solidarity with the Nicaraguan people have also come to visit Tonight we are accompanied by companeros from Switzerland, us from Japan. who have been participating in support of our revolutionary [word indistinct]. They have come to Nicaragua from Switzerland to help us. We have also been told about several church representatives. We could assert that at these critical times, when the United States has been creating an international climate to justify an attack on the Nicaraguan revolution, it is important to stress that men with different beliefs, men with different ideologies come to our country from different places to express their solidarity with and support for the Nicaraguan revolutionary process. These men have one feeling in common: their love for humankind, their love for the Nicaraguan revolution and, above all, their love for peace. [Applause]

We appreciate and recognize this. This strengthens our people's spirit of struggle. It gives us additional energy to continue our work, despite

the enormous material difficulties we face and despite the great pressures and acts of aggression that we are suffering at the political and military levels.

I also wanted to note that considerable publicity has recently been given to the speech delivered by Thomas Enders, a U.S. State Department official, who visited here in 1980, I believe. He delivered a speech in which he accused Nicaragua of causing the violence in El Salvador. He accused Nicaragua of attacking neighboring countries. According to him, we are attacking both the Honduran government and Costa Rica. He charged Nicaragua with engaging in a rash arms buildup. Finally, Enders said that they propose that some agreement be reached with Nicaragua. He said that under this agreement, the arms buildup in Central America should be either reduced or stopped altogether and that the number of military advisers in Central America should be reduced to zero. I think that this is how he put it. We would applaud such a proposal, were it not for the fact that we have always been willing to discuss any subject with the United States or to reach some agreement with them. This speech causes concern, because we have been communicating with the United States, with the U.S. Government, through notes that they have sent us and notes that we have sent them in In these notes they have told us that we don't agree with this, that or the other thing, and they have threatened us. In turn, we have told them: Don't threaten us, we don't understand threats; let's talk, let's hold a dialogue, let's understand each other. In other words, for a long time now, since Enders came here to visit in 1980, we have been exchanging notes with the United States. We have proposed that these matters be seriously discussed. Then, all of a sudden, Enders appears, ignoring all of this, blaming us for all of the problems that may be afflicting Central America, making up stories and talking about negotiations. We are worried about this speech by Enders, for what can his purpose be? If they really intended to discuss the points he mentioned, a meeting would have been called long ago, yet they have been unwilling to hold such a meeting. Why are they doing this? They are doing it simply to give the world the impression that Nicaragua is causing certain problems in the area. They also want to give the impression that the United States wants to resolve its problems with Nicaragua. Thus, they could later justify the attacks on our country that they have been preparing. In other words, his speech is neither honest, serious nor responsible. It is a dangerous speech, perfectly in line with aggression. say this because some of this country's media have sought to view Enders' proposal as the solution to all problems, suggesting that there is good will behind this proposal. We mustn't deceive ourselves. The correct thing would have been for them to propose a discussion of this point in the course of our communication with them, to propose a discussion of Nicaragua's various points, since Nicaragua has concerns of its own. The truth is that not a single Honduran has died on Honduran territory from bullets fired by the Sandinist army or by the Sandinist militias. Meanwhile, hundreds of Nicaraguans have died on Nicaraguan territory, killed by bullets fired by the Somozist guardsmen whose operations base

is located on Honduran territory, from which they launch their attacks on our country. We wanted to take advantage of this occasion to explain this a bit.

We will now begin to talk to you and to listen to your questions and concerns. In this way, with our usual frankness, we will in a small way help in the revolutionary government's tasks, the Sandinist front's tasks, the revolution's tasks. [Applause]

[Question] Within the framework of our revolution's defense, the mass organizations in the Monsenor Lezcano neighborhood have been forced to seize the churches of several of the pseudosects that are proliferating in our country as a result of the absolute freedom that exists under the revolution. Three churches, three buildings, are now in our power. One of them, formerly owned by the Jehovah's Witnesses, has been transformed into a [word indistinct]. In other words, we have placed it at the service of our people. Another church, also owned by the Jehovah's Witnesses, is now being turned into a popular reading library. We also have the Adventists' building, where a school that appears to be clandestine was operating. Children there are manipulated against our revolution through religion. We have occupied that church for 15 days now. Recently, however, we have learned that the pastors of that harmful sect known as the Seventh Day Adventists are negotiating with our government to have the building returned to them, though it has already been turned into a communal house for the Monsenor Lezcano neighborhood. Companeros, [applause] we must warn them that we seized those buildings because we were forced to do so, because we were provoked. Our defense had been weakened and the only thing we could do was to seize those buildings, place them at the service of our people's interests and see if their possession could be legalized soon. We would like to tell the companeros in the junta that if negotiations are indeed underway, they must not allow themselves to be fooled, because those people are very clever. During their visits we have told them that it is the Nicaraguan people who have rights over that building, which will not be returned even if that's what they want. [Applause]

[Answer] I think that Companero (Alvarado) has touched on a very delicate subject. This is a subject that we must face maturely and responsibly in order not to fall into provocation. Because the counterrevolution, that is, the Somozist guardsmen, the capitalists who are enemies of the revolution and the United States, which is behind all of them, have sought to take advantage of everything in order to divide the Nicaraguan people. They have tried to divide the Nicaraguan people through stories, lies and messages. They have used messages such as the one that said that the revolution will not let anyone own vehicles, houses or domestic animals. This is done to confuse the people. They have sought to scare the small rural owners, the owner of a small shoe repair shop, the medium-sized producer and even the bigger producer who has no reason to fear, since he can work and produce under the revolution as long as he respects the

laws imposed by the people through the revolutionary government. But these campaigns have failed.

They have tried to present the Somozist guardsmen as martyrs so that Sandinism and the revolution will look like an inhuman revolution, a revolution that does not respect human rights, so it looks like we are committing a crime because the Somozist guardsmen are now in jail, they who committed crimes and killed our people. That has not found an echo among the people either because the people will not allow themselves to be deceived by these stories.

Therefore, the last resource left to our enemies is the political manipulation of our people's religious feelings. They have been manipulating in this fashion for some time now. One thing must be made very clear: the revolution cannot be an enemy of religion, any type of religion, so long as they respect this country's laws, so long as they do not try to act politically against the revolutionary process under a religious disguise. (?Notice) the following: It is worth noting that elements from different church positions—some from the Evangelical church, Jehovah's Witnesses or whatever, and others from the Catholic Church—are in the end identifying themselves with the exploiters, with the wealthy, with the United States and its policy.

In the days of Somozism, we don't remember their ever daring to issue a communique, a pastoral letter or whatever strongly condemning Somozism. Yet Somozism was killing Christian people in this country, it was torturing Christian people, it was slaying Christian people. But they never dared issue a vigorous and strong condemnation the way they now want to condemn the revolution. At a given point they killed Catholic priests here. That was an unprecedented development here in Nicaragua. Somozism first killed Gaspar Garcia Laviana. Somozism later killed several Catholic priests in Esteli. Despite this brutal action, we never learned of a firm pronouncement in this regard. Therefore, it is worth noting that such firmness had not been demonstrated until now, while efforts are now being made to manipulate our people's feeling, trying to make believe that the revolution is the enemy of religion. As we said earlier, the revolution is not the enemy of any religion. It can't be the enemy of any religion because it respects the feelings of all human beings. [Applause]

Therefore, the revolution here cannot permit someone to suddenly decide to tell the faithful who come to a church that they should not go to be vaccinated when the health drive takes place. That cannot be tolerated, because it is an action that works against the interests of our people, that works against the health of children, and is an act of disrespect for our country's laws, and all such laws must be respected.

If someone somewhere says: If you join the militia or if you take up arms you will go to hell, that cannot be understood or tolerated in this country, because that would be putting the person into a situation of

conflict, of deciding whether or not to bear arms. It is not possible to threaten a person with hell or some other kind of terrible punishment if he defends his people, when Christ himself had to take up a whip to oust the Pharisees from the temple. [Applause]

Therefore, we will follow a procedure in the cases of the churches and schools that have been occupied. We will carry out an investigation in which we will consider the position, as we said, of the pastors, of those who attend that church in the neighborhood, because they are a part of the neighborhood, and of the other mass organizations of the neighborhood, in order to make it possible to act with justice.

[Alvarado] The explanations of our commander are clear. We want to make it understood that we respect the instructions of our vanguard, that we do not do things that fall outside our right to defend the revolution. We have found, particularly in the Adventist church, books like this one, several issues of very new military instruction manuals. I wonder, why there would be, in what is supposed to be a house of God, a book that teaches how to kill our people? We turned in one just like this. We also turned in to the authorities letters exchanged between pastors of that church and individuals outside Nicaragua who are mercenaries. We turned in letters of this kind. Those constitute irrefutable proof that they are linked to the counterrevolution.

I repeat: This is proof that they, through some channel, were teaching someone to use these weapons, which even includes one of the rocket devices that was confiscated from the counterrevolutionaries on the coast. The device is known as a (Sloan) rocket launcher. Here it is. I now put it at the disposal of the companeros to be considered as evidence. Thank you very much. [Applause; shouts of "revolution!"]

[?Ortega] We wish to say that this "Face the People" program will not lead to a solution of all the problems that the community may be facing. Not all the problems that are presented can be solved. The most important thing is that the pledges made by people's institutions that function as part of the government must be fulfilled by our companeros. At times promises are not kept, either because of neglect or because there is a lack of resources. When nonfulfillment is because of neglect, it cannot be ignored.

When nonfulfillment is because of a lack of means, the least the companeros of the institutions can do is give an explanation: We have failed to meet our commitments for this, that or the other reason, so that the people can have a clear idea of the reasons for the nonfulfillment. Therefore, you have to be permanently on the alert to see that the promises made in these meetings or in other meetings on community projects are kept.

We have discussed the other matter of the occupied churches, which involves the manipulation to which religion has been subjected in this country as a counterrevolutionary measure. It is no accident that the first deaths of demonstrators in this country since the time of Somozism—under Somozism it was common for a demonstration to be fired upon, and companeros often fell under the bullets of the national guard while they were peacefully protesting, unarmed, in the streets. [Sentence as heard]

Since the triumph of the revolution, neither the police force nor the army have fired on the people even a single time. There have been a number of demonstrations and there have been violent confrontations. We remember the confrontation in Nandaime, which was a very violent confrontation, but there was not a single death. Similarly, there have been various activities by counterrevolutionary forces who have staged demonstrations in the streets. Not a single one of those people have been killed. They have staged their events and the police have responded carefully.

It is true that there have been confrontations between popular revolutionary sectors—which they call mobs—and those other people, but not a single person has been killed. Now, for the first time, people have been killed in this country. People have been killed in this country as a result of religious matters, of the political manipulation of religious matters. The dead were from among the people in Masaya. They were the first such deaths to take place in this country, and this is cause for concern.

FSLN SENDS MESSAGE OF SUPPORT TO 'ARAFAT

PA060029 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 4 Sep 82

[Message sent by the Nicaraguan FSLN to PLO Secretary General Yassir 'Arafat, dated 3 September 82]

[Text] The FSLN and the Nicaraguan people wish to reiterate our solidarity with the just struggle of your people and its vanguard organization, the PLO, against the Israeli zionist regime.

In the last few days, the whole world has witnessed the courage of your people, who, together with the Lebanese people, bravely and energetically faced the recent criminal offensive by the Israeli regime, acting in alliance with the U.S. administration.

In just recognition of the noble struggle that you have carried out and will continue to wage, the Nicaraguan Government decided to break relations with the Israeli government. This, our government's solidarity, is our people's solidarity.

At this moment, when the PLO forces have decided to abandon Beirut, which has been attacked despicably by the zionist troops and in view of the Palestinian fighters' decision to continue their struggle to victory, the FSLN and our people send our support to you and express our recognition of the fighting example that you have given to the world's peoples.

[Signed] Commander of the revolution Bayardo Arce Castano, FSLN Political Committee Coordinator.

[Dated] 3 September 1982

# REVOLUTIONARY PATRIOTIC FRONT'S ACHIEVEMENTS

Managua EL NUEVO DIARIO in Spanish 24 Jul 82 p 5

[Text] Gustavo Tablada from the Socialist Party and coordinator of the FPR (Revolutionary Patriotic Front) confirmed that since among the FPR's objectives as a multi-ideologic institution are the defense consolidation and deepening of the process, it has tended toward the consolidation and alliance with the organizations within its ranks, in search of an appropriate line of action which would permit an increasingly greater participation in revolutionary tasks.

In this sense, he added, a high degree of unity among all of the member organizations has been achieved during 3 years of revolution.

For greater effectiveness in Managua, seven sections have been formed wherein the concerns of the neighborhoods will be dealt with by groups, and later the FPR message will be carried to the communities, he said.

In another vein, he added that during this 3-year period the organizations forming the FPR have managed to develop an explanatory task for the people, dealing with North American imperialist policy toward the revolutionary process, and the people have responded to this effort with understanding, he stated.

He said also that the members from the different FPR organizations are fighting bureaucracy, lack of discipline among the workers, and they are helping to maintain production levels in their work centers.

### On Defense

With respect to defense, he stated that his members participate actively in the Sandinist People's Militia, in the reserve battalions and have been assigned to areas where they have been called upon to defend the country.

# Relations

On the international scene, he said that as of now work and mutual cooperation agreements exist with the Bulgarian Fatherland Front and the Patriotic People's Front of Hungary, and negotiations are underway for mutual collaboration with the Alliance of Working People of Yugoslavia, the National Front of the People's Republic of Germany, and the Patriotic Front of Czechoslovakia.

He indicated that recently a delegation from the Revolutionary Patriotic Front initiated contacts in Bulgaria with similar Latin American fronts, among them some from Guatamala, the Farabundo Marti Front of El Salvador, the United People's Movement of Costa Rica, the Leftist Alliance of Peru, the Broad Front from Uruguay, the Unitarian Front of Chile, as well as like organizations from Asia and Africa.

He stated that ongoing and smooth dialogues were begun with these organizations, which it is felt will be transformed into formal relations for the purpose of reinforcing the anti-imperialist struggle, strengthening solidarity and defense of the Sandinist People's Revolution, and achieving a greater raprochement among all of these organizations to reinforce the fight of the people who are struggling for their liberation.

# Tougher Fourth Year

He maintained that the beginning of this fourth year of revolution—a predictably difficult one for the nation since imperialist aggression through acts of genocide and foreign and domestic reaction seems to be on the rise, claiming more victims among the Nicaraguan people—demands more consolidation and unity from the organizations of the Revolutionary Patriotic Front.

In light of this, he concluded, we are prepared to discuss new work directives which would permit greater organic development at the level of other departments and greater strengthening of the theoretical ideologic character, which will contribute a greater consolidation of the process focussed around the people and the governing junta.

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# PROMOTIONS IN SANDINIST ARMY REPORTED

Managua EL NUEVO DIARIO in Sapnish 16 Jul 82 p 16

[Text] A new commander, Emmett Lang Salmeron, and a new deputy commander, Ramon Masis Henriquez, surfaced yesterday from the Nicaraguan military corps, having attained their ranks within the Sandinist People's Army (EPS).

Nine companions were also promoted to captains and they are: Francisco Calvo Reyes, Adolfo Chamorro Tefel, Francisco Grillo Acevedo, Miguel Guzman Bolanos, Manuel Rivas Guatemala, Julio Solorzano Silvera and Mario Vanegas Delfo.

The ceremony for the Jose Benito Escobar Fourth Promotion in Military Ranks of the EPS, also dedicated to the memory of the heroes of 15 July 1969, took place yesterday, Thursday, at 10:00 am on the patios of the Carlos Aguero Echeverria School. There were also many promotions for officers of lesser rank, and it was reported that similar functions were taking place at other Nicaraguan military units.

The commander of the revolution and Minister of Defense Humberto Ortega Saavedra, during his principal speech in which he put forth interesting data about the emerging national situation at the political and military levels, reiterated to the promoted officers that to emulate Jose Benito Escobar, Julio Buitrage, Alesio Blandon, Anibel Castrillo and Marcos Rivera should be their concern and goal at all times.

He said, "Try to be like they were in their military and revolutionary quality and in their Sandinist outlook, because we are the embodiment of those who are dead by the way in which we are militarily prepared to give our lives in defense of our people and their revolution."

He added, "if we are not shaped by the courage of those heroes, we will not be able to complete the work of forming an army capable of winning on the battle field and also in daily life to fulfill the work of being better soldiers and better Sandinists."

On another matter, the oath of the newly promoted read by Commander Emmett Lang Salmeron definitively emphasizes that no one is going to hold back this revolution, because no one can hold back a people determined to die for the fatherland, their country and their principles.

He added, "We are officers, and as such we swear to carry out the missions entrusted to us."

The former captain, Ramon Masis Henriquez, was not present to receive his rank of deputy commander, as he is coordinating extremely important defense tasks somewhere in Nicaragua.

Commander Emmett Lang Salmeron, for his part, is a Sandinist fighter of long standing. Condemned to very long terms in jail by the Somoza dictatorship in 1970, he escaped from La Aviacion Prison, taking advantage of the 1972 earthquake. In May 1979 he survived the heroic exploit in Nueva Guinea and was the second in the national command of the Sandinist People's Militia before taking over his current responsibilities as head of personnel for the EPS.

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# MICE REPORTS FOREIGN EXCHANGE EARNINGS FROM EXPORTS

Managua LA PRENSA in Spanish 21 Jul 82 pp 1,14

[Text] Foreign earnings from exports of traditional Nicaraguan products rose during the current year to 246 million dollars as of June, according to the latest bulletin from the Ministry of Foreign Trade (MICE).

## Coffee

The MICE report outlines that coffee exports, counted up to 26 June, reached 692,723.6 quintals, which brought an income of 86,010,826.5 dollars. The countries buying Nicaraguan coffee are: France, Spain, Holland, United States, Germany, Soviet Union, Italy, Belgium, England, Finland, Czechoslovakia, Lebanon, Turkey and the United Arab Emirates.

### Sugar

With regard to sugar exports, tabulated up to 26 June, the same report indicates that 33,634,901.90 dollars were earned.

The information from the referenced ministry adds that 1,930,536.34 quintals of the 1981-82 sugar crop were exported.

### Cotton

Cotton sales to international markets have managed to earn 85,412,711.56 dollars as of this past 26 June.

These earnings of foreign exchange, as outlined previously, come from the sale of 264,621 bales.

### Meat

Likewise, the bulletin issued by MICE notes that meat exports as of 30 June of this year were 17,796,105 pounds, valued at 18,295,791.44 dollars.

The countries buying Nicaraguan meat are: United States, Canada, Puerto Rico and Mexico.

Sea Products

Marine exports as of this 26 June rose to 2,117,759.22 pounds, bringing an exchange income of 10,048,696.63 dollars.

The export products were: shrimp, lobster, fresh fish, dried fish, shark, tortoise shell, dehydrated turtle, prawns, and dried shark fins.

The following countries buy these products: United States, Canada, Japan, Guatemala, Costa Rica and El Salvador.

Sale of Nontraditional Items

The same reports explains that by the end of last month 5,512,196.20 dollars were earned from the sale of nontraditional items.

These products are: leaf tobacco, cigars, plywood, frozen vegetables, rootlets, castor oil plants, ginger, unshelled peanuts and others.

Bananas

The MICE information specifies that banana exports as of last June produced 4,872,308.50 dollars from a total of 1,133,095 boxes.

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SELA CALL FOR INCREASED SUPPORT NOTED

PA011438 Managua EL NUEVO DIARIO in Spanish 25 Aug 82 pp 1, 8

[Text] Our country received full support at the first session of SELA's eight regular meeting, which ends today in Caracas, Venezuela. SELA's ministerial council issued a resolution for the Action Committee for the Reconstruction of Nicaragua, CARN, urging all SELA members to "intensify their participation in the committee," by giving Nicaragua increasing support."

The proposition was unanimously approved, which is a demonstration of this organization's support for the sandinist people's revolution. The resolution goes as far as recognizing that U.S. imperialism has applied restrictive financial measures against licaragua. Here is the report on this:

Caracas (special correspondent) 23 August: SELA's ministerial council condemned the application of economic restrictive measures against any of its members. This decision refers basically to the U.S. and EEC sanctions against Argentina, but it also clearly refers to Cuba and Nicaragua, which suffer permanent economic attacks from the United States.

SELA's resolution—which clearly shows support for these countries—was unanimously approved. The document recognizes that "some industrialized countries frequently and intensively resort to economic restrictive measures as an instrument for political pressure." The documents adds that among these measures are the "application of an embargo and economic blockade, the freezing of funds, the suspension of loans and credits, as well as the delay and boycott of the transactions to obtain international financial aid."

In view of this situation, SELA's ministerial council decided in its historical resolution "to reaffirm the sovereign right of all nations to chart their own courses in the economic, social, and political fields, without foreign pressures, attacks, or threats." In addition, the 26 countries participating in the SELA meeting committed themselves to upholding this principle in all forums and to promoting some "action aimed at getting the international community to reject the imposition of economic restrictive measures as an illegal and arbitrary recourse."

All observers have agreed in stating that SELA's decision reflects the growing Latin American nationalism as a result of the Malvinas conflict, and the region's desire to strengthen its personality independent of the United States. This was the tone of the speeches at the first session of SELA's meeting, to be concluded on 25 August. Venezuelan President Luis Herrera Campins delivered an emotional speech, in which he reiterated his government's initiative to create a Latin American organization for consultation and political coordination, without U.S. participation.

At the same time, the Nicaraguan government was explicitly supported by a resolution of the SELA ministerial council in which the council reiterated its CARN and called on all SELA members to "intensify their participation in the committee, giving Nicaragua increasingly more significant support." That resolution was also approved unanimously. It stated that "the United States has adopted coercive financial measures against Nicaragua which deepen its emergency situation."

In the next few days, the SELA ministerial council will examine a group of collective economic self-defense measures that their governments will adopt in the face of cases of economic aggression.

cso: 3010/2304

# SALVADOR SOLIDARITY FRONT MEETING BEING READIED

PA011655 Managua Radio Sandino in Spanish 1830 GMT 31 Aug 82

[Text] The Nicaraguan Committee of Solidarity with People, CNSP, is making preparations for the first meeting of the World Front for Solidarity with the Salvadoran People, to be held here on 4 and 5 September. This meeting will be attended by leaders of committees for solidarity with the people's struggle for independence and self-determination. Some of these leaders are: Lucia Pavletich, from Mexico; Bill Zimmerman from the United States; Heidi Tarver, from Canada; Andres Fabrega, from Mexico; Enrique Colon, from Puerto Rico; and Willie Rosembos, from France.

Edgardo Perez, secretary general of the Nicaraguan Committee of Solidarity, will give us the details of this important international event.

[Begin Perez recording] I would like to tell the Nicaraguan people that the Nicaraguan committee is working hard preparing for the meetings of the executive committee of the World for Solidarity with the Salvadoran People, to be held in Managua on 4 and 5 September at the offices of the Nicaraguan committee. We have prepared all the details to insure the working sessions, which have been divided in four parts, on Saturday and Sunday.

[Question] Companero, what leaders are going to participate in this meeting?

[Answer] The leaders who will come are connected with interregional coordinators of solidarity with the Salvadoran people, who make up the executive secretariat of the world front. They are Companera Lucia Pavletich, companera of the well-known Esteban Pavletich, deceased, brother of the FSLN; Companero Bill Zimmerman, representative and coordinator of solidarity in the United States; Companera Heidi Tarver, also from North America; Andres Fabrega, coordinator in Mexico of solidarity with El Salvador; Companero Enrique Colon, coordinator of solidarity with El Salvador in the Caribbean; Willie Rosembos, from France, who is coordinator of solidarity with El Salvador in Europe. Other companeros, who have not yet confirmed their participation, will also come.

### BRIEFS

NEW MILITIA HEADQUARTERS--Port Corinto--A new military headquarters of the Sandinist people's militia was established yesterday in El Realejo, Chinandega Municipality. The El Realejo townspeople went with revolutionary joy to the local park to show their support for the new militiamen, who committed themselves to defend our fatherland. [PAO21536 Managua Radio Sandino in Spanish 1830 GMT 30 Aug 82 PA]

MARINE PRODUCTS REVENUE--Nicaragua has earned \$11.5 million for its exports of marine products in the first 6 months of this year. The Nicaraguan Fishing Institute has announced that production of seafood totaled 3,253,000 pounds, 75 percent of the 4.5 million pounds projected. The shortage was caused by the paralyzation of two refrigeration plants on the Atlantic coast because of a lack of spare parts. [PA290119 Managua Domestic Service in Spanish 0300 GMT 27 Aug 82 PA]

CUBAN SCHOOL DIRECTORS--A parents and students assembly at the Central American University in Managua warmly welcomed companeros Waldo Garrido and (Hector Garcia), directors of the Carlos Fonseca School in the Isle of Youth, Cuba. [PA271610 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 24 Aug 82 PA]

COMMANDER ESCOBAR ORDER CREATED—The official newspaper LA GACETA yesterday published the government junta decree creating the Commander Jose Benito Escobar Order, which will be the highest honor that the government will grant the Nicaraguan workers for outstanding performance in production. This decree also made the Labor Ministry responsible for the rules for granting this order, its grades and emblem. [PA271610 Managua Radic Sandino in Spanish 1830 GMT 26 Aug 82 PA]

RESERVE MOBILIZATION--Over 1,000 reservists from battalions 80-10 and 80-12 staged a demonstration in the streets of Rivas prior to their departure, scheduled for 15 August, for someplace in Nicaragua to combat counterrevolutionary military units armed by the United States. [PA290119 Managua EL NUEVO DIARIO in Spanish 13 Aug 82 p 4 PA]

MESSAGE TO CASTRO--The Nicaraguan Committee of Solidarity with the Peoples, the Nicaraguan Peace Committee and the Nicaraguan Association of Friendship with socialist countries have sent greetings to Fidel Castro Ruz, president of the nonaligned movement, on the occasion of this movement's 21st anniversary, which will be commemorated on 2 September. The document states that the nonaligned movement "has won many battles against the enemy of mankind in defending the basic principles of the nonaligned countries," and has become "an international barricade against imperialism." The document sent to the nonaligned movement president also stresses that our people's struggle in defense of our sovereignty clearly demonstrates that our revolution is on the right path. Nicaragua joined the nonaligned movement after the triumph of the Sandinist peoples revolution, during its sixth summit meeting in Havana in 1979. The movement emerged in 1961 during a conference in Belgrade; since then, it has held summits in Cairo, Algiers, and Sri Lanka, among other capitals. [Text] [PA030413 Managua BARRICADA in Spanish 29 Aug 82 p 10]

PREFABRICATED HOUSES--The revolutionary government is putting up 140 prefabricated houses monthly in Tasba Pri. The revolutionary government, state organizations and the Miskito community have also built schools and health centers. [PA292146 Managua Domestic Service in Spanish 0300 GMT 27 Aug 82 PA]

UNION LEADER TO MOSCOW--(Santiago Mayorga), secretary general of the Union of Workers of the Metal-Machinery Enterprise of Nicaragua, has left for Moscow to participate in a seminar of Latin American metal worker leaders. [Text] [PA021438 Managua International Service in Spanish 0230 GMT 31 Aug 82 PA]

FSLN COMMITTEE INSTALLATION--The Commander Julio Buitrago Committee of the Managua Region was officially installed last night at the Ivan Montenegro Auditorium of Managua's Oscar Benavides complex. The event was presided over by commander of the revolution Bayardo Arce and Dr Rafael Cordova Rivas. [PA021438 Managua Radio Sandino Network in Spanish 1200 GMT 31 Aug 82 PA]

COUNTRY SECTION VENEZUELA

### PROMOTIONS BRING DISSENSION IN ARMED FORCES

New Generals, Old Colonels

Caracas MOMENTO in Spanish 19 Jul 82 pp 4-7

[Text] In Venezuela, as in almost all countries in the world, the subject of the military continues to be taboo. Talking about the inner workings of the military establishment can lead to undesirable connotations. "Careful, that person could be a plotter."

However, one thing is still true: the armed forces are an institution which deserves great consideration and respect from the citizenry. Perhaps this would appear to be a phrase taken from a school primer, but it is not meant that way. In the specific case of Venezuela, the FAN [National Armed Forces] played an important part in the history of our liberation. Moreover, our military institutions are made up of studious and responsible men. And it would not be saying too much to add that Venezuela's military men are one of the best moral resources which Venezuelan democracy has, just at the time when there is much talk of a crisis.

This last consideration—and please don't let it be thought that it is a conspiratorial phrase—can easily be explained: there are numerous examples to confirm the democratic line of thinking of our armed forces and their devotion to the basic institutions of the country. We also know that one of the few places where our history is still being studied earnestly and with patriotic fervor, and also where the concept of national sovereignty is recognized for its meaning and mystique, is in the military academies. That is why recent democratic governments have been allowing greater participation by active duty officers in high public positions. We recognize the valuable contributions which Gen Rafael Alfonzo Ravard (now retired) has made to the nation. We also know about the dynamic work of Gen Oscar Alvarez Beria at present in the Office of Consumer Protection. And in this way many other FAN officers have given their services to the nation outside the barracks.

### The New Armed Forces

Because of the very fact that our armed forces are a closed institution we Venezuelans do not know much about them. However, we are witnessing a profound change in the institution and the men who make it up. It does not

resemble in almost any way the one that existed in the times of the worthy Gomez. And it is very different as far as mentality and technical training go from that of Perez Jimenez.

The armed forces of today are modern, and politicized, although they do not belong to political parties. An officer of these times is not an easy prey of any "barracks agitator" of the Castro Leon type. This country's universities are being invaded by active officers and noncommissioned officers. The Santa Maria University has already received the nickname of "The Barracks" because of the number of military men who take courses there, especially in the schools of Law and Economics. It is already common to find an army brigadier general seated next to a longhaired Marxist student in any university in the country; with, of course, very little possibility of the Europeanized leftist converting the nationalistic and Bolivarian military man to his way of thinking. Incidentally, regarding this latter topic, a change or evolution has also been noted in Venezuelan military men. The ideas of Bolivar have taken hold with greater strength in recent years among the Venezuelan officers, who have found in them an intelligent solution to many of the nation's problems. Particularly, and as a result of the Malvinas crisis, the Bolivarian Latin American ideal has been a highlight of the geopolitical strategic approach established by the FAN and the National Security and Defense Council. It is also the most important principle in the platform of National Recovery, the civilian-military movement led by General (ret) Rangel Bourgoin.

# New Generals and Old Colonels

In spite of all the plans under way, the armed forces have not been free from criticism. For some time accusations have been being made which, although they are isolated cases, suggest the presence of internal unrest. What is their cause? How important are they? Those are topics which must be evaluated within the general context of the different forces.

But what is really becoming spread around as a matter of national interest is the accusation regarding alleged maneuvers: on one hand, to promote certain others. For example, there is the case which has highlighted the importance of the Commander Godoy dispute, and which gives cause for conjecture about a full-scale fight between the new generals and the old colonels.

# Godoy's Accusation

In recent statements to the press, Lt Col Luis Alfonso Godoy said: "John Kavanagh committed administrative irregularities. He drew up orders for the purchase of new machinery, and would acquire used equipment and spare parts.

"He managed to buy used spare parts for 7,000 bolivars, when in fact their cost was not more than 250 bolivars, with the guarantee of original parts.

<sup>&</sup>quot;I reported the irregularities in writing, but they were rejected.

"John Kavanagh waited for an opportunity to make me pay the price for my attitude. In 1977 and in 1981 he succeeded in holding up my promotions."
"He took me off the list of nominations."

Comments from Military Sources

The new inspector general of the armed forces, Maximiliano Hernandez Vasquez, according to reports, was reluctant to accept that post, because of being 6 months senior to the new minister of defense, Vicente Narvaez Churion. Acceptance would tacitly go against the Organic Law of the Armed Forces, which prohibits officers serving under those with less seniority.

The farewell speech of Maj Gen Fernan Reyes Zumeta, former inspector of the armed forces, made a big impression. Many officers said he was not made minister of defense because of his family relationship with Dr Rafael Caldera. The former director wanted to give an impression of unity in his promotion when his differences with former minister Bernardo Leal Puchi were public and notorious.

A persistent rumor is going around in military circles that the members of the outgoing "Juan Batista Arismendi" promotion class will not attend the graduation party because of their disagreement with former minister Leal Puchi, who had serious divferences with several of his colleagues.

In the recent army promotions to brigadier general, the minister of defense paid a lot of attention to collaborators with the ministry in administrative matters: Italo del Valle, Aliegro and Anselmi. And he failed to promote men who had been regarded as sure: Luis Pulido Hernandez, Fossi, Belloso, Castellano and Monagas.

General Kavanagh Speaks Against Godoy

Caracas MOMENTO in Spanish 19 Jul 82 pp 7-8

[Interview with Brig Gen John Arthur Kavanagh by Ildemaro Gonzalez; date and place not specified]

[Text] "I have been, am and always will be innocent of any incriminations that may be made concerning my honesty, and about administrative or any other type of irregularities. I am proud of having entered the Military Academy as a poor man and of having left it poor...But I become full of anger and wrath, and it infuriates me that they are using me as an actor performing on a stage with whom they want to entertain the rest of my colleagues." These are the forthright statements with which Brigadier General John Arthur Kavanagh Illarmendi is speaking out for the first time regarding the impasse which has arisen as a result of the statements submitted to the press by Lt Col Luis Alfonso Godoy, in which he points the finger at him for being involved in administrative irregularities, and of having put obstacles in the way of his military promotion.

<sup>&</sup>quot;Kavanagh burned the invoices.

Accompanied by attorney Rene Buroz Arismendi, Gen (ret) Kavangh Illaramendi makes his statements to the magazine MOMENTO, through which he defends himself against the accusations of Commander Godoy and reveals interesting aspects which accompany the case.

[Question] General, with everything that has been made public in regard to the military, do you believe that there is a real crisis within the armed forces?

[Answer] I am going to answer that by quoting a Chinese saying: "Crisis is defined as opportunity riding on dangerous winds." They really are dangerous winds, and by the Chinese definition, this crisis is an opportunity for someone or for something.

[Question] An opportunity for whom in particular?

[Answer] Well, President Herrera himself says it. "Two decades ago radical sectors were determined to destroy the nation's armed forces by guerrilla violence. In Venezuela we managed to achieve the difficult goal of defeating subversion without sacrificing the social state of law. But now it appears that there is an attempt to take advantage of disagreements, which at a given time can crop out because of unimportant matters, to try and destroy the morale, the harmony and the self-confidence of the armed forces." There is no need to be clairvoyant to interpret what the president is saying.

[Question] What do you have to say regarding the accusations made by Commander Godoy?

[Answer] I would characterize the accusations of Luis Alfonso Godoy against my person as slanderous, and as deliberate lies.

[Question] But he asserts that you are involved in irregularities of an administrative nature.

[Answer] Never! Slander is one of the most difficult things in the world to combat. Deliberate slander, without a motive, but the fact is that slander never has a motive. Our Lord considered slander to be so serious that he included it among the 10 Commandments. Commander Godoy never served under my command. And any operation that I could have had with Lieutenant Colonel Godoy was one of coordination. It was then when we were posted in Luepa, in the Gran Sabana. On that occasion Gen Ferrer Reyes was the director of Army Engineering Services, which had under its command a series of departments, like that of administration, supply (which Godoy headed) and the department of investigation. On the same level I was the military chief subject to the leadership of Army Engineering as regards the work of Operation Gran Sabana, which also had a civilian coordinator named by the Ministry of Public Works--the engineer Victor Ron Pedrique. MOP [Ministry of Public Works] standards were followed as regards roadmaking and construction. I doubt that there would have been anyone more capable and qualified to serve as an inspector for the MOP, which was the organization that supplied the money. What Godoy is saying is no more or less than a deliberate lie.

[Question] Have you at any time held back promotion for Lieutenant Colonel Godoy?

[Answer] The truth is that the only time that I acted as head of a board when the name of Godoy appeared, that gentleman was recommended for promotion. Godoy can say mass. In the last 6 months I have examined my conscience, and I have asked myself what I have done to this man. However, I believe that his basic character and what is inside his mind should be examined by a psychiatrist. He knows that what he is saying is false, and he says it and repeats it, knowing full well that his statements against me were rejected by the Army Instector General's Office, by the Armed Forces Inspector General's Office, the Council of Investigation named by the purpose by Gen Tomas Abreu Rescanieri. They were rejected by the Army Department of Engineering which initially processed and drew up a statement. It was proved that his "news item" was false. Aside from that, by presidential order, the Second Military Court of First Instance which has the support of the whole General Controllor's Office of the Armed Forces, the support of inspectors and controllors, which has resources which the minister gives it so it can investigate me. And finally, after 6 months of investigation and putting me under a microscope, they come to the conclusion that there is nothing against General Kavanagh, but that Luis Alfonso Godoy is the guilty one. The decision of the court was conclusive. It was insubordination, which covers a number of offenses, like lack of respect for superiors, insults, defamation, false testimony--no need to go on counting. So how can so many people who investigated the case be wrong?

[Question] But Godoy stubbornly insists in asserting that you are guilty.

[Answer] I have already said that it is deliberate slander, and I have explained why. On the other hand, I can say that this insistence and this despicable campaign in the press, with his usual allies, has been disagreeable. But anyone who knows me knows perfectly well that vice cannot triumph over virtue.

[Question] Who are those allies?

[Answer] The president of the republic himself is reporting a campaign to destroy the morale, the harmony and top defense of the nation's armed forces. There continues to be something strange about the sameness of the attacks. The allies that associate themselves with Godoy are those who attack without asking questions or having any interest in the truth. They all belong to the same group of bandits, tramps, pardoned former-guerrillas. And all those people who supposedly have been pacified, but keep their weapons in their houses.

[Question] Could one spearhead be Godoy?

[Answer] It's worth thinking about. I cannot believe that a person who wears the uniform would deliberately do what he is doing. But I believe that he is being used, and he is letting himself be used.

[Question] By what person or persons...?

[Answer] By leftist groups who see in this crisis an opportunity to destroy the system of which they have always been enemies. It is worthwhile to talk about millionaires' attacking banks and carrying out robberies, although it is said that they are done by common criminals. We are seeing a gathering of bandits, thieves, kidnappers, who one would try to keep as far away as possible, and all of them are now congregating and becoming the guardian and shield of Commander Godoy, who is voluntarily being taken over. Mabe Godoy in his mind believes that he is right. What I do know is that he is not. It would be a good idea to raise the question again with Dr Jovito Villalba, how he on one occasion accused them publicly, and said that the bank robberies were for the financing of the election campaign of a certain individual.

[Question] What evidence is there in regard to what you are saying?

[Answer] The security organs of the state are investigating. But as regards Godoy, there is another detail which makes me very curious: he published a book. I have been the head of the Armed Forces Polytechnic Institute for 3 years, and therefore I know what it costs to publish one. It would also be good to find out how much a lieutenant colonel earns, especially if he has to maintain more than one house.

[Question] Are you suggesting that Godoy...?

[Answer] What I am saying is that if someone has to maintain more than one house, and has the wherewithal to publish more than one book, two volumes, one of them genuinely despicable, it must be asked where Godoy gets the money from. Well, unless manna has fallen from heaven for him in the form of cash.

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COUNTRY SECTION VENEZUELA

WORKERS ENDORSE LUSINCHI'S CANDIDACY

Caracas EL UNIVERSAL in Spanish 10 Aug 82 pp 2-24

[Text] Maracaibo, 9 Aug--Jaime Lusinchi, presidential candidate of Democratic Action (AD), received in this city the endorsement of more than a hundred union organizations of Zulia State and was also proclaimed the candidate of the Venezuelan workers.

In the "Avila" theater of Maracaibo, full to the rafters and with hundreds of workers also in the side streets, Jaime Lusinchi promised more social justice in his government and discussed the chief national problems.

Before the speech by the white presidential standard-bearer, the following leaders spoke: Néstor Yance, sectional union secretary; Pedro Brito, union electoral coordinator; Carlos Piñerúa, president of Fedepetrol [Petroleum Workers Federation]; José González Navarro, representing José Vargas, president of the Confederation of Venezuelan Workers; and Hugo Soto Socorro, secretary general and president of the AD's Electoral Commission in Zulia state.

Jaime Lusinchi, in his 25-minute speech, confessed that he was a lucky man to have attained his party's presidential candidacy along with the unanimous support of the working class, a feat he characterized as sufficient to realize the highest aspirations that a political leader can have in Venezuela.

He declared himself ready to achieve in his government a society leveled out so there would not be discriminatory stratifications and in which men and women could achieve abundance to the extent that the state was able to providaccess to all the goods which civilization has to offer.

Speaking to the hundreds of union lealers present, Lusinchi referred to the theory of co-partnership in labor and emphasized the contribution made by workers to the stability of democracy and, specifically in reference to co-partnership, pointed out that a new democracy with better social content should offer this possibility to the workers because a new society cannot come about unless there also occurs a change in the concepts of property and in the direction of the forces of labor.

In this framework of ideas, he emphasized that his government would formally and legally hand over the Casa Sindical [Union Hall] of Zulia to the workers, acting on the premise that what came from the workers should go back to them.

This announcement was received with large joyful demonstrations and prolonged applause.

He said later on that workers should not go on being treated in a deceitful manner by the state acting as sacrosanct protector of certain cliques which many times have neither the moral nor political authority to dispossess the workers of their goods and rights.

After announcing that health and social security are the supreme and undeniable rights of man, he said that he has planned in his government program for a definite health and social security policy as a way of ensuring optimum use of these services.

One of the statements which most caught the attention of the leaders and workers present in the "Avila" theater was the reference to a "social contract."

In this context the presidential candidate revealed that this plan has been received with much approval by all sectors of national life. He declared that the country is in debt to its workers and stressed that the workers had undergone many struggles, sacrifices, tactical restrictions, and postponements of very legitimate aspirations for the establishment of our democracy which today is sound and capable of supporting shocks but which is still obligated to give back to the workers what they have invested in establishing it.

He said that the establishment of a "social contract" does not mean that the workers would in any way be obliged to renounce or mortgage the legitimacy of their rights to work for better salaries, better living conditions and more benefits from their efforts nor does it mean that employers would renounce the legitimate gains produced by their efforts.

He pointed out besides this that the country is going through a situation in which there are very great difficulties and that it will not be able to confront them without creating an atmosphere of social tranquility to be achieved by playing the rules of the game in regard to a much hoped-for equalization of justice.

In the economic sphere, the presidential candidate definitely stated that it is necessary to bring the national economy back into line and put into effect programs with rapid returns and launch programs of agricultural development to free ourselves from foreign dependence in respect to our food supply.

On another matter, he went deeply into the necessity for giving better training to the worker and peasant class as well as to youth, guaranteeing that technical schools and training institutes be opened at all levels and to give direction to education so that it works for the development of the country and works also for the rights of our people to have access to learning at all levels.

Finally, the AB candidate confirmed his sentiments of absolute loyalty toward carrying out his commitment to the workers and warned that he does not want "a tame or conformist working class which falls into agreements which do not make sense and are not right nor which forfeits its role as the country's vanguard organization."

"I want an alert working class with a critical conscienceness to demand reform within the context of historical contractual commitment." Lusinchi concluded.

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COUNTRY SECTION VENEZUELA

MEP NATIONAL ASSEMBLY ENDORSES PCV CANDIDATE

Caracas ZETA in Spanish 15 Aug 82 pp 8-9

[Text] The certainty that the Left will put forward two candidates, Teodoro Petkoff and Jose Vicente Rangel, was strengthened Sunday when the National Assembly of the MEP [People's Electoral Movement], the highest assembly of this party, decided in a unanimous vote (760-0), to endorse Rangel's candidacy, thus even going over the head of Salom Mesa, the present leader of the MEP who had been promoted as its presidential candidate.

# A New Friendship

Not even the withdrawal of its own candidate, however, was a surprise at the MEP meeting. This party, which in the elections of 1968 came to be a determining factor in the final results by draining off the AD vote and opening up the way for the triumph of Caldera, has been undergoing its own deterioration process which began the moment age caused the activity and prestige of its charismatic leader, Luis Beltran Prieto, to decline. The larger part of the MEP members returned to Democaatic Action; others slid toward the extreme left and a few approached Copei [Social Christian Party]. All of these were called "maletineados" by those who remained in the MEP. A small sector then has kept the movement alive and it has been affected by behavior which indicates dependent links with the PCV [Communist Party of Venezuela].

For the elections of 1983 the Communist Party decided to activate an old trooper, Jose Vicente Rangel, who up to the present has stayed close to MAS [Movement for Socialism] dissidents and has been known as the independent presidential candidate of that party. There has appeared in the MAS a story about how Jose Vicente always has been a secret communist kept around the MAS like a "mole." A like accusation has been made against Tirso Pinto, assistant secretary general, who now is announcing his support for Rangel, along with some 80 activists—"since this is the time for splits from the movement"—according to MAS deputy Guerra Ramos. Both Rangel and Pinto kept close to the MAS or within it, with the purpose of carrying off people whenever the PCV decided to promote the candidacy of a loyal leader.

Within this framework then, support for the candidacy of Jose Vicente by the sector of the People's Electoral Movement headed by J. A. Paz Galarraga would be one step more within a process of sorting things out. Paz Galarraga and Adelso González would be committed beforehand to the Communist Party. This link would go back to 1973 when the PCV attracted Jovito Villalba into a coalition of the Left which chose its candidate in the Sports Palace. The PCV went back on its promise to make Jovito the candidate, giving the nod to Paz Galarraga in what was the beginning of a great cooperative venture.

### Four Roads

In the days prior to its National Assembly, there were moving within the MEP currents which brought about a confrontation between Prieto and Paz Galarraga. From the first Paz had demonstrated his support for the PCV candidate. Prieto always was reticent to adopt this solution, explaining in private that the MEP should maintain its own personality and that endorsement of Rangel would destroy the true character of the movement. For that reason he favored having the MEP's own candidate, even Salom Mesa. Luis Salas and Isaac Oliveira, who possibly are the MAS leaders holding the most real power--youth and managerial ability -- , were with Prieto in this line and maintained it up to the end, even after Prieto changed his mind. In effect, the old leader came to believe in recent days that the candidacy of Salom had not risen to national stature and that the party would have to fall back on an independent candidate of the Left who was linked to the MEP. Prieto's candidate was the rector of the University of Merida, Pedro Rincon Gutierrez, with great influence among extremist groups lacking electoral representation like the Douglist movement which has tended to vote for the MEP. Prieto's proposal was defeated by a margin of 3 to 1 in favor of the one put forward by Paz Galarraga. Significantly, after that vote Prieto retired to his residence in Prados del Este and refused to be a member of the delegation which went to Rangel's house to inform the latter of the voting results.

A minority of MEP leaders view with fear the alliance with the Communist candidate and until the last moment supported a proposal to vote for Teodoro Petkoff. Evident lack of support for this proposal caused the MAS to make a move at the last to keep Teodoro from appearing among his MEP supporters and thus avoided a confrontation whose results were already foreseen. Petkoff did not achieve success and, in fact, a daily newspaper later stated that the nul' votes (3) had exceeded the votes for Teodoro (2) in a convention of 333 delegates who composed almost the total of MEP leaders and activists.

# Frustration

Original MEP members showed their frustration with the results which, in their judgment, fatally blurred the character of the popular movement which was created in 1968 around the personality of Prieto. The true character of the MEP, they say, should have been kept by endorsing their own candidate, someone like Salom Mesa.

Leaders like Antonio Ecarri, political secretary of Carabobo, who spoke for his state's delegation, denounced Paz Galarraga and Adelso Gonzalez, saying that they had joined together in a maneuver to assure themselves of keeping their seats in Congress. Already Rangel has put forward coordinated slates of carabobo tes in which leaders who supported him have places. But leaders like Ecarri see their frustration increased because even Salom Mesa has negotiated for his place on the ticket. After his defeat Mesa became reconciled with Paz and Gonzalez, having forgotten that Rangel's vote in the Sierra Nevada Case saved Mesa's mortal enemy, Carlos Andres Perez ("for a horse and a woman"). So Mesa agreed to head the delegation which went to Rangel's house to inform him that he had become the candidate of the People's Electoral Movement.

And what does this endorsement signify? Not much more than that of the MIR-Moleiro [Movement of the Revolutionary Left--Moleiro] and of the PCV which, along with the GAR [Revolutionary Action Groups], EPA [The People Advance Revolutionary Trend, CUP [possibly, Popular Unity Committees] and other groups of extreme leftist activists, compose the alphabet soup which Jose Vicente trots out in public. In private his strength is otherwise. His popularity and image rest on the electorate of the Left which has made him the MAS's own candidate, a development which occurred in an excess of generosity and which MAS members today are regretting.

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COUNTRY SECTION VENEZUELA

### BRIEFS

PETKOFF MEETS FEDECAMARAS PRESIDENT -- The leader of the Movement for Socialism (MAS), Teodoro Petkoff, met yesterday with the President of Fedecamaras [Association of the Chambers of Commerce and Industry], Carlos Sequera Yepez, to discuss the theory of his partisan organization in reference to a new form of Venezuelan economic and social development. During the meeting Petkoff gave Sequera Yepez a volume containing a program of economic and social development for the coming years and explained his positions as well as the strategy which in his judgment should be undertaken in order to solve the most important problems of the country. The visit of the MAS leader to the Federamaras headquarters to talk with members of the business movement and coordinate ideas signals a different orientation among some political sectors of the Left whichup to now have kept themselves distant from all business organizations. The president of Fedecamaras, Sequera Yepez, said that for the first time in history a leader of the Left had visited installations of his organization in order to talk about his ideas in reference to matters important for the country. Sequera Yepez also said that "Fedecamaras, in keeping with its policy of reconciliation, welcomes this initiative in a friendly way." No details concerning the document delivered by Petkoff were issued, however, because it will be analyzed by the experts of the business organization before Sequera can issue an official judgment concerning it. [Text] [Caracas EL UNIVERSAL in Spanish 11 Aug 82 pp 1-20] 9972

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# END OF FICHE DATE FILMED

Sept. 22, 1982